

# Guide to Comply with Canada's Anti-Money Laundering (AML) Legislation







# Guide to Comply with Canada's Anti-Money Laundering (AML) Legislation

Prepared by MNP LLP

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# Preface

The Anti-Money Laundering Committee (AML Committee) of the Chartered Professional Accountants of Canada (CPA Canada) has commissioned this publication *Guide to Comply with Canada's Anti-Money Laundering (AML) Legislation* to help CPA Canada members and Accounting Firms deal with recent changes in AML regulatory requirements. Accountants and Accounting Firms are reporting entities under Canada's *Proceeds of Crime (Money Laundering) and Terrorist Financing Act (PCMLTFA)* with specific regulatory requirements when they engage in certain activities.

This *Guide* sets out recent changes to Canada's AML Legislation and provides practical guidance for AML compliance that is relevant to Accountants and Accounting Firms.

Accountants and Accounting Firms are at risk of penalties (both monetary and criminal) for non-compliance with the AML Legislation in the event of, for example, failure to report suspicious transactions. An effective AML compliance program is key to mitigating this risk.

This publication aids Accountants and Accounting Firms by addressing comprehensive topics including:

- AML standards and regime
- who and what activities fall within the AML obligations
- money laundering risk assessment
- development of a compliance regime
- AML and privacy obligations
- Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) examinations
- ongoing monitoring of business relationships

Throughout the *Guide* there are questionnaires and checklists to help Accountants and Accounting Firms ask the right questions, FINTRAC forms, and practical guidance on how to complete the forms.

CPA Canada thanks the author, Matthew McGuire of MNP LLP, and acknowledges the contribution of the CPA Canada AML Committee. Particular gratitude is extended to Mr. McGuire's colleague at MNP LLP, Iain Kenny, who provided valuable input and assistance throughout the project.



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## CHAPTER 1

# Motivation for the Guide

Since 2000, professional accountants in Canada have been an official part of the country's fight against money laundering and terrorist financing.<sup>1</sup> Our part in the fight generally involves keeping specified records about transactions and identifying clients from which we receive funds<sup>2</sup> in case that information should be needed for investigations; collecting, retaining and reporting large cash transactions;<sup>3</sup> as well as reporting attempted and completed suspicious transactions<sup>4</sup> and terrorist property<sup>5</sup> to add to the national money laundering intelligence database. AML Legislation was recently amended with changes to obligations effective February 1, 2014.<sup>6</sup> Those amendments also require Accountants and Accounting Firms to conduct ongoing monitoring of the relationships with clients involved in Triggering Activities.<sup>7</sup>

Canada codified obligations for Accountants and Accounting Firms in the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (PCMLTFA) and its Regulations (collectively referred to in this document as "AML Legislation"). The regulator responsible for ensuring adherence to that legislation is the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC). FINTRAC issues its own guidance to assist individuals and entities to comply with their obligations.<sup>8</sup>

1 Details about the offences of money laundering and terrorist financing, and Canada's anti-money laundering and counter terrorist financing initiatives and their history are included in Appendix A—Canada's AML Legislation.

2 See section 3.1.1 for details.

3 See section 3.1.2 for details.

4 See section 3.1.3 for details.

5 See section 3.1.4 for details.

6 Those changes are incorporated into this guidance, and summarized in Appendix C—Summary of Changes Effective February 1, 2014.

7 See section 3.2 for details.

8 A listing of links to FINTRAC guidance relevant to Accountants and Accounting Firms is included in Appendix B—Links to FINTRAC Guidance.

The obligations only apply to Accountants and Accounting Firms in certain circumstances, generally instances where they are dealing with assets on behalf of their clients.<sup>9</sup> Once it is determined that they do apply, fulfilling the obligations may seem complex. Failing to comply with applicable AML Legislation in the prescribed circumstances can result in significant fines, penalties and jail time for Accountants and Accounting Firms.<sup>10</sup>

CPA Canada and its members are mandated to maintain the reputation of our profession. The profession's reputation can be tainted by non-compliance with legislation designed to combat crime, and worse, by association with activities that enable crime.

With that in mind, this *Guide* has three main purposes:

1. To help Accountants and Accounting Firms determine if AML obligations are applicable to their activities.
2. To guide Accountants and Accounting Firms to which AML Legislation applies in the development of a program to comply with their obligations.
3. To educate Accountants and Accounting Firms about the enforcement methods by the regulator FINTRAC and risks of non-compliance.

This *Guide* itself does not constitute an AML program. Each Accountant and Accounting Firm must develop its own policies and procedures, risk assessment and training program, as applicable.

<sup>9</sup> These circumstances are described in section 2.2.

<sup>10</sup> See section 7.4 for details.

## CHAPTER 2

# Determining if the Obligations Are Applicable

AML Legislation is applicable to Accountants and Accounting Firms engaging in Triggering Activities (described in section 2.2). Accountants and Accounting Firms have ongoing obligations to identify the performance of Triggering Activities and to perform all prescribed measures within specified timelines. As a practical matter, Accounting Firms are advised to perform annual training to make their organization aware of Triggering Activities in order that those in their firm are equipped to self-identify those circumstances. As a safeguard, Accounting Firms are advised to conduct an annual self-assessment to determine whether individuals in their organizations are involved in Triggering Activities, and to evaluate conformance of the related documentation to AML standards. Questionnaires aimed at assisting that determination are included in section 2.3.

### 2.1 **Definition of Accountant and Accounting Firm**

An “Accountant” is defined by AML Legislation as being a Chartered Accountant (CA), Certified General Accountant (CGA), or a Certified Management Accountant (CMA).<sup>11</sup> We expect that AML Legislation may be amended to include the new Chartered Professional Accountant (CPA) designation. This Guide has been prepared as though CPAs are covered.

11 Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations (PCMLTFR) subsection 1(2).

An “Accounting Firm” is defined by AML Legislation as being an entity that is engaged in the business of providing accounting services<sup>12</sup> to the public and has at least one partner, employee or administrator that is an accountant.<sup>13</sup>

The definition of Accountant does not require the professional to be engaged in providing professional accounting services to the public to be covered by the AML Legislation, only that they are a designated Accountant that performs, however infrequently, Triggering Activities.

An Accountant is not subject to AML Legislation if they only perform Triggering Activities on behalf of their employer.<sup>14</sup> That employer could be an Accounting Firm, or any other entity. An Accountant performing any Triggering Activities for any client in addition to, or outside of their regular employment relationship would still be subject to AML Legislation, in respect of those outside activities.

## 2.2 Definition of Triggering Activities

Generally, Triggering Activities involve dealing with client assets on their behalf. Dealing with client assets might involve actually conducting transactions on their behalf, or giving instructions to a party to conduct the transactions.<sup>15</sup> Exceptions and other considerations are explained in section 2.2.2.

There are three categories of Triggering Activities which are listed below with illustrative examples. These examples do not represent an exhaustive list of all possible Triggering Activity scenarios.

1. Receiving, Paying or Transferring Funds<sup>16,17</sup>
  - a. Your Accounting Firm performs bookkeeping services and has signing authority over the account of a not-for-profit organization client and pays invoices from that account on its behalf.

<sup>12</sup> “Accounting services” is not defined in the PCMLTFR. In Alberta, the *Regulated Accounting Profession Act* paragraph 1(oo) defines “public accounting practice” to include the providing or offering to provide one or more of the following services to the public: (i) an assurance engagement; (ii) a specified auditing procedures engagement; (iii) a compilation engagement; (iv) accounting services; (v) forensic accounting, financial investigation or financial litigation support services; (vi) advice about or interpretation of taxation matters; (vii) preparation of a tax return or other statutory information filing, if prepared in conjunction with any service referred to in subclauses (i) to (vi).

<sup>13</sup> PCMLTFR subsection 1(2).

<sup>14</sup> PCMLTFR subsection 34(2).

<sup>15</sup> The concept of “giving instructions” is explained in more detail in section 2.2.1.

<sup>16</sup> PCMLTFR paragraphs 34(1)(a)(i)(iii).

<sup>17</sup> “Funds” are defined in the PCMLTFR 1(2) as meaning “cash, currency or securities, or negotiable instruments or other financial instruments, in any form, that indicate a person’s or an entity’s title or interest in them”.

- b. A client issues a cheque to you as a sole practitioner Accountant in an amount equal to their income tax payable and your accounting fees. You then deposit the cheque and wire the income tax payable to the Canada Revenue Agency from your account.
  - c. A client instructs their vendor to settle their invoice by remitting funds to your Accounting Firm and then asks that your firm issues a cheque for the difference between the value of the wire and your outstanding fees.
  - d. A client requests assistance in transferring funds from a sanctioned country into Canada, in respect of which an Accountant arranges for Canadian accounts and wire transfers through intermediate countries.
2. Purchasing or Selling Real Property, Business Assets, or Entities<sup>18</sup>
    - a. The leader of the corporate finance group of your Accounting Firm travels to the U.S. to finalize the purchase of a business on behalf of their client.
    - b. Acting as the trustee for an estate, an Accountant instructs a real estate broker to sell a piece of land owned by the estate.
  3. Purchasing, Transferring or Selling Securities<sup>19</sup>
    - a. An Accountant within your Accounting Firm has been engaged by the lawyer of a client without capacity to manage their investments, and exercises discretionary authority to buy and sell securities on their behalf.
    - b. As part of a tax restructuring engagement, an Accountant opens investment accounts in other countries on behalf of their clients and orders domestically-held securities transferred there.
    - c. In connection with a corporate reorganization, an Accountant documents and executes share transfers in a minute book on behalf of their client.

## 2.2.1 Giving Instructions Versus Giving Advice

An interpretation notice from FINTRAC<sup>20</sup> distinguishes the concept of “giving instructions”, which would constitute a Triggering Activity in respect of any of the three categories, from “giving advice”, which would not constitute a Triggering Activity. Giving instructions is synonymous with “ordering” a specific transaction in this context (e.g. “Based on my client’s instructions, I request that you transfer \$600 from my client’s account 12345 to his other

<sup>18</sup> PCMLTFR 34(1)(a)(ii)(iii).

<sup>19</sup> *Ibid.*

<sup>20</sup> See the Interpretation Notice No. 2 at Appendix D—FINTRAC Interpretation Notice No. 2.

account 67890"). Giving advice involves a recommendation to the client or their advisors rather than giving instructions to take action with respect to their assets (e.g. "For tax purposes, we recommend that you transfer your money into long-term investments").

## **2.2.2 Specified Exemptions and Considerations**

Once it has been determined that you are an Accountant or an Accounting Firm that engages in Triggering Activities, AML Legislation is applicable unless one of three exemptions apply:

1. In the case of an Accountant, when all Triggering Activities are performed on behalf of an employer.
2. In the case of an Accountant or an Accounting firm, where all Triggering Activities are performed in respect of an audit, review or compilation engagement.
3. In the case of an Accountant or Accounting firm acting solely in the capacity of a Trustee in Bankruptcy.

Additionally, for risk and other legislative reasons, some Accounting Firms have incorporated a separate entity through which they conduct Triggering Activities. Those entities are typically subject to other provisions of the same AML Legislation.

### **2.2.2.1 Employment Relationship**

As mentioned earlier, an Accountant who performs Triggering Activities only for their employer is not subject to the AML Legislation. Triggering Activities performed by an Accountant outside of their employment relationship would not be exempted by this provision. An Accountant who both worked as full-time employee controller *and* maintained bookkeeping clients on whose behalf they transferred funds, would be covered by AML Legislation because of the latter activity, and only in respect of that latter activity.

### **2.2.2.2 Assurance Related Activities**

AML Legislation holds that what would otherwise constitute Triggering Activities do not subject an Accountant or an Accounting Firm to its obligations in cases where those activities are performed in respect of "audit, review or compilation engagements carried out in accordance with the recommendations set out in the CICA Handbook".<sup>21</sup> Given the nature and standards governing those types of engagements, it is unlikely in any event that any Triggering Activities would be performed in connection with them.

<sup>21</sup> PCMLTFR subsection 34(3). Also refer to Footnote 51.

### 2.2.2.3 **Trustee in Bankruptcy Services**

FINTRAC issued an interpretation notice<sup>22</sup> advising that Accountants and Accounting Firms appointed by a Court, or acting solely as a trustee in bankruptcy, are not considered to be acting on behalf of any other individual or entity, and therefore, are not engaged in Triggering Activities.

Additionally, FINTRAC advised in the notice that practices that only provide the services listed below are not considered to be “providing accounting services to the public”, and therefore would not be considered to be an Accounting Firm subject to AML Legislation:

1. As a receiver, pursuant to the provisions of a Court order or by way of a private letter appointment pursuant to the terms of a security interest.
2. A trustee in bankruptcy.
3. As monitor under the provisions of the *Companies' Creditors Arrangement Act* or any other proceeding that results in the dissolution or restructuring of an enterprise or individual and to which the firm, individual or insolvency practitioner serves as an officer of the Court or agent to one or more creditors or the debtor.

Notwithstanding, a firm which provides any accounting services to the public outside of the scope of those three listed services will be deemed to be an Accounting Firm. An insolvency practice may, for instance, also perform restructuring and interim controller services outside of the context of an appointment which would bring their firm into the definition of an Accounting Firm. In that case, Triggering Activities performed by that practice, such as the sale of real property in the capacity of an interim controller, would subject them to the obligations of prevailing AML Legislation.

### 2.2.2.4 **Implications of Organizational Structure**

For risk management purposes and to comply with other legislation, it is common practice for Accounting Firms to incorporate separate entities—such as a corporate finance division—for activities that relate to purchasing or selling real property, business assets, entities or securities. If these entities do not offer accounting services to the public, then they would not be considered to be Accounting Firms and therefore not subject to AML Legislation on that basis. However, other obligations arise from AML Legislation for entities that are considered to be “securities dealers”<sup>23</sup> or real estate brokers. Firms that

22 See Interpretation Notice No. 7 at Appendix E—FINTRAC Interpretation Notice No. 7.

23 PCMLTFR subsection 1(2) defines “securities dealers” as being: a person or entity that is authorized under provincial legislation to engage in the business of dealing in securities or any other financial instruments or to provide portfolio management or investment advising services.

organize separate entities should comply with laws relevant to their activities, and take care not to provide or offer accounting services to the public from those entities.

#### **2.2.2.5 A Note on Client Fees**

For clarity, Triggering Activities give rise to the obligations of AML Legislation whether or not professional fees are received for those activities.

Receiving payment for client fees does not in itself constitute a Triggering Activity as the funds are not received on behalf of a client—they are received on behalf of the firm itself. However, payments from clients where the amount is comprised of both fees and value for further payment to a third party, such as the Canada Revenue Agency, would be considered a Triggering Activity.

### **2.3 Questionnaires to Assist in Determining Applicability**

#### **2.3.1 Do I Have Obligations as an Accountant?**

<b>Question</b>	<b>Response</b>	<b>Comment/Direction</b>
1. Are you a professionally designated Accountant (CPA, CA, CMA, CGA)?	Yes	Designated professional Accountants have responsibilities if they perform Triggering Activities.  Proceed to Question 2.
	No	Non-designated accountants do not have responsibilities to AML Legislation by virtue of being accountants.  
2. Do you perform transactions or give instructions for transactions that involve any of these Triggering Activities on behalf of a client (on a compensated or non-compensated basis)? <ol style="list-style-type: none"> <li>Receiving, Paying or Transferring Funds</li> <li>Purchasing or Selling Real Property, Business Assets, or Entities</li> <li>Purchasing, Transferring or Selling Securities</li> </ol>	Yes	Performing Triggering Activities gives rise to obligations defined in AML Legislation, unless exceptions apply.  Proceed to Question 3.
	No	If no Triggering Activities are performed or offered, no obligations arise from AML Legislation by virtue of being an Accountant.  

<b>Question</b>	<b>Response</b>	<b>Comment/Direction</b>
3. Are <b>all</b> Triggering Activities you perform or offer done so as part of your employment?	Yes	<p>If all Triggering Activities are performed in the course of an employment relationship, the obligations defined by AML Legislation are not applicable.</p> 
	No	<p>If any one Triggering Activity is performed outside of an employment relationship, obligations set out in AML Legislation are applicable, unless other exemptions apply.</p> <p>Proceed to Question 4.</p>
4. Are <b>all</b> Triggering Activities performed in connection with assurance engagements or as part of trustee in bankruptcy appointments?	Yes	<p>If all Triggering Activities are performed in connection with assurance engagements or as part of trustee in bankruptcy appointments, obligations defined by AML Legislation are not applicable.</p> 
	No	<p>If any one Triggering Activity is conducted that is not performed in connection with assurance engagements or as part of trustee in bankruptcy appointments, obligations defined by AML Legislation are applicable.</p> <p><b>LEGISLATION APPLICABLE</b></p>

### 2.3.2 Do We Have Obligations as an Accounting Firm?

Question	Response	Comment/Direction
1. Does your firm provide accounting services to the public?	Yes	<p>An entity that provides <b>any</b> accounting services to the public may be considered an Accounting Firm if it has at least one partner, employee or administrator that is an Accountant. Note that insolvency related engagements that involve appointments as: receiver, trustee in bankruptcy, or as monitor under the provisions of the <i>Companies' Creditors Arrangement Act</i> are not considered to constitute accounting services.</p> <p>Proceed to Question 2.</p>
	No	<p>An entity that does not provide <b>any</b> accounting services to the public is not considered to be an Accounting Firm, and therefore would not have obligations pursuant to AML Legislation on that basis.</p> 
2. Is at least one of your entity's partners, employees or administrators a professionally designated Accountant (CPA, CA, CMA, CGA)?	Yes	<p>Any entity that offers accounting services to the public and has at least one designated professional Accountant as a partner, employee or administrator is considered to be an Accounting Firm, and would have responsibilities if they perform Triggering Activities.</p> <p>Proceed to Question 3.</p>
	No	<p>Any entity that offers accounting services to the public, but has no designated Accountant partners, employees or administrators, is not considered to be an Accounting Firm, and therefore would not be subject to AML Legislation obligations on that basis.</p>

Question	Response	Comment/Direction
3. Does your firm perform transactions or give instructions for transactions that involve any of these Triggering Activities on behalf of a client (on a compensated or non-compensated basis)? <ol style="list-style-type: none"> <li>Receiving, Paying or Transferring Funds</li> <li>Purchasing or Selling Real Property, Business Assets, or Entities</li> <li>Purchasing, Transferring or Selling Securities</li> </ol>	Yes	Performing <b>any</b> Triggering Activity, for any fees or no fees, gives rise to obligations defined in AML Legislation, unless exceptions apply. Receiving client fees does not itself constitute a Triggering Activity.  Proceed to Question 4.
	No	If the firm performs no Triggering Activity, no obligations arise from AML Legislation by virtue of being an Accounting Firm.  
4. Are <b>all</b> Triggering Activities performed in connection with assurance engagements or as part of trustee in bankruptcy appointments?	Yes	If all Triggering Activities are performed in connection with assurance engagements or as part of trustee in bankruptcy appointments, obligations defined by AML Legislation are not applicable.  
	No	If any one Triggering Activity is conducted that is not performed in connection with assurance engagements or as part of trustee in bankruptcy appointments, obligations defined by AML Legislation are applicable.  

## 2.4 Determination of Triggering Activities in Larger Firms

Once it is determined that you are an Accountant or an Accounting Firm, there is an ongoing risk that you or your firm conducts a Triggering Activity (even if it is determined at a point in time that no Triggering Activity has occurred in the past or is not expected in the future). The engagement in one single Triggering Activity gives rise to the full scope of obligations under AML Legislation applicable to Accountants and Accounting firms, including training obligations, policies and procedures, risk assessments, etc. AML Legislation does not address the issue of how long obligations apply following an Accountant's or Accounting Firm's engagement in a single Triggering Activity.

Given the extent of effort required to maintain a Compliance Regime, and the significance of consequences for non-compliance, it is advisable that Accounting Firms direct resources to the determination of engagement in Triggering Activities across their firm at a point in time and then annually thereafter. A sole-practitioner Accountant may just complete the questionnaire provided above annually. At an Accounting Firm with less than ten partners, that determination may be limited to adding the item to the annual partner meeting agenda for discussion and declaration. At larger firms, education coupled with questionnaires, engagement checklists, and internal audit procedures may be more appropriate.

Some Accounting Firms have adopted a policy to prohibit engagement of Triggering Activities because of the risk and resource they entail, or to conduct them by authorized exception only. To satisfy examiners, those firms may wish to engage in an annual and documented self-assessment exercise to assess adherence to that prohibition policy. Even Accounting Firms that prohibit Triggering Activities or believe that they do not engage in such activities adopt a program to comply with AML Legislation in case Triggering Activities are inadvertently performed.

## CHAPTER 3

# What to Do if the Obligations Are Applicable

Accountants and Accounting Firms that engage in Triggering Activities are subject to the obligations of AML Legislation. Those obligations include the requirement to perform certain tasks when engaging in Triggering Activities that are associated with certain types of transactions, and to implement and maintain a program to ensure that those tasks are performed.

### 3.1 Required Tasks When Engaged in Triggering Activities

Being engaged in a Triggering Activity by itself does not trigger any required transaction-related tasks.<sup>24</sup> Certain tasks must be performed if engaged in a Triggering Activity **and** one or more of the following situations (or “Special Cases”) arise in connection with the Triggering Activity: the receipt of C\$3,000 or more;<sup>25</sup> the receipt of C\$10,000 or more in cash; reasonable grounds to suspect money laundering or terrorist financing; and, knowledge of terrorist property. The following table summarizes those situations and the associated task obligations.

<sup>24</sup> Notwithstanding, engaging in any Triggering Activity gives rise to the obligation to implement and maintain a compliance program.

<sup>25</sup> All amounts are expressed in Canadian dollars. Amounts received in foreign currencies must be translated to Canadian dollar equivalents using the official conversion rate of the Bank of Canada for that currency as published in the Bank of Canada’s Daily Memorandum of Exchange Rates that is in effect at the time of the transaction to assess whether applicable thresholds have been met (PCMLTFR paragraph 2(a)).

Special Case	Receipt of Funds Record	Client Identification	Large Cash Transaction Report	Third Party Determination	Suspicious Transaction Report	Terrorist Property Report
Receiving funds of C\$3,000 or more (section 3.1.1)	•	•				
Receiving C\$10,000 or more in cash (section 3.1.2)	•	•	•	•		
Suspicious activity or transaction (section 3.1.3)		•			•	
Knowledge of terrorist property (section 3.1.4)						•

### 3.1.1 Receiving Funds of \$3,000 or More

If funds<sup>26</sup> of C\$3,000 or more are received by an Accountant or Accounting Firm in a single transaction in connection with a Triggering Activity, two task obligations are triggered:

1. Keep a receipt of funds record.
2. Identify the client from whom the funds are received.

Those funds might be received in respect of fees, or for any other reason connected with the Triggering Activity. AML legislation does not specify that the funds must be received from the client for which the Triggering Activity is being performed.

#### 3.1.1.1 Exemptions

The obligations noted do not apply if the funds are received from a client that is a financial entity<sup>27</sup> or a public body.<sup>28</sup>

26 “Funds” are defined in the PCMLTFR 1(2) as meaning “cash, currency or securities, or negotiable instruments or other financial instruments, in any form, that indicate a person’s or an entity’s title or interest in them.”

27 “Financial Entity” means an authorized foreign bank, as defined in section 2 of the *Bank Act*, in respect of its business in Canada or a bank to which that Act applies, a cooperative credit society, savings and credit union or caisse populaire that is regulated by a provincial Act, an association that is regulated by the *Cooperative Credit Associations Act*, a financial services cooperative, a credit union central, a company to which the *Trust and Loan Companies Act* applies and a trust company or loan company regulated by a provincial Act. It includes a department or agent of Her Majesty in right of Canada or of a province when the department or agent is carrying out an activity referred to in section 45.

28 “Public Body” means (a) any department or agent of Her Majesty in right of Canada or of a province; (b) an incorporated city, town, village, metropolitan authority, township, district, county, rural municipality or other incorporated municipal body or an agent of any of them; and (c) an organization that operates a public hospital and that is designated by the Minister of National Revenue as a hospital authority under the *Excise Tax Act*, or any agent of such an organization.

If the funds received involve C\$10,000 or more in cash, a Large Cash Transaction Report should be completed, retained and filed with FINTRAC instead of producing a receipt of funds record (see section 3.1.2—Receiving funds of \$10,000 or More in Cash).

### **3.1.1.2 *Receipt of Funds Record***

A sample receipt of funds record is shown in Appendix F—Sample Receipt of Funds Record. All fields on that form are mandatory. An Accountant or Accounting Firm may choose to maintain the information required in a receipt of funds record as part of its regular records (on paper or electronically in order that a paper copy can be readily produced from it),<sup>29</sup> as long as all information can be produced to FINTRAC within 30 days of a request.<sup>30</sup> The receipt of funds record must be retained for five years following the date of its creation. Receipt of funds records should not be filed with FINTRAC, however, their details might be subsequently referenced as necessary in Large Cash Transaction Reports (see section 3.1.2.4) or Suspicious Transaction Reports (section 3.1.3).

### **3.1.1.3 *Client Identification***

Client identification must occur at or before the time of the transaction to which the receipt relates, although it should occur as soon as practical after being engaged to conduct a Triggering Activity. In instances where funds are received unexpectedly and without the client present, and where the client had not been previously identified, the Accountant or Accounting Firm should identify the client prior to processing or returning the funds (both to meet regulatory obligations and to establish ownership over the property).

The purpose of client identification is to verify the identity of the person (name, address and date of birth) with whom you are dealing, in the case of a natural person, and, in the case of an entity, to verify the existence of the entity with which you are dealing and to verify the identity of the individual who is dealing on its behalf (with reference to corporate/other entity documentation).

29 PCMLTFR subsection 68(a).

30 PCMLTFR section 70.

AML Legislation permits client identification to occur in the following ways:

1. For individuals (natural persons):
  - a. Face-to-face: If the client is met in person, AML Legislation permits Accountants and Accounting Firms to verify their identity with reference to one piece of original government-issued valid and unexpired identification. See Appendix G—Identification of Individuals in Person: Method and Form.
  - b. Non-Face-to-Face: When a client is identified remotely (i.e., they are not physically present when you inspect their original, valid, and unexpired piece of government-issued identification), AML Legislation permits reference to a combination of one necessary and one sufficient identification method. The necessary methods include reference to credit checks or an attestation by a limited class of professionals, and the acceptable sufficient identification methods generally include confirmation against a Canadian deposit account. See Appendix H—Identification of Individuals Non-Face-to-Face: Methods.
  - c. Using an Agent or Mandatary: It is possible to contract a third party to conduct face-to-face identification measures on your behalf (i.e. have a third party pre-contracted to verify the identity of a client with reference to one piece of original government-issued valid and unexpired identification. While the task can be delegated to an agent, the responsibility for client identification rests with the Accountant/ Accounting Firm. See Appendix I—Identification of Individuals by Third Parties: Methods.

Individual client information records must be maintained for five years following the date on which they were created. It may be prudent to retain those records for a longer period in case of the need for subsequent reliance in other identification scenarios, and on account of other obligations and uses, while respecting privacy obligations.

2. For entities: Where an entity is the client for Triggering Activities, the Accountant or Accounting Firm must confirm the existence of the entity with reference to its incorporation records, organizing agreements, and retain a copy of the part of official corporate records that contains any provision relating to the power to bind the corporation. See

Appendix J— Confirming the Existence of an Entity. Information collected in respect of this obligation must be maintained for five years following the date the last business transaction is conducted.

Successful client identification need not be repeated for subsequent transactions if the Accountant/Accounting Firm recognizes the client.<sup>31</sup>

### **3.1.2 Receiving Funds of \$10,000 or More in Cash**

When you receive an amount of C\$10,000 or more in cash<sup>32</sup> over one or more transactions over 24 consecutive hours, in respect of a Triggering Activity, by, or on behalf of the same person or entity, you must (a) keep a large cash transaction record; (b) file a large cash transaction report with FINTRAC within 15 days; and (c) take reasonable measures to determine whether there is third party involvement.

While an Accountant or Accounting Firm might prohibit the acceptance of cash by policy or practice, cash may still be received inadvertently (by mail or otherwise). As a consequence, it is advisable to adopt a policy and procedure to deal with that eventuality. Some firms have adopted a policy whereby the sender will be invited to identify themselves to the firm in person and retrieve the funds intact within a certain number of days following receipt, and notified that the funds will be returned intact otherwise by the same method by which they were received. Depositing the funds into the Accountant's or Accounting Firm's account and then remitting them back to the sender may assist in achieving money laundering objectives, given the apparent legitimacy of payments received from an Accountant/Accounting Firm. It has been the administrative practice of FINTRAC that obligations described below still apply if the funds are returned, since the cash has been received.

#### **3.1.2.1 Exemptions**

The noted obligations do not apply if the funds are received from a client that is a financial entity or a public body.

#### **3.1.2.2 Client Identification**

Client identification must occur at or before the time the funds are received, although it should occur as soon as practical after being engaged to conduct a Triggering Activity. In instances where funds are received unexpectedly and without the client present, the Accountant or Accounting Firm should identify the client prior to processing or returning the funds (both to meet regulatory obligations and to establish ownership over the property).

<sup>31</sup> FINTRAC's administrative position is that "recognizing the client" involves recognizing the face or voice of an individual.

<sup>32</sup> "Cash" means coins or notes issued by the Bank of Canada or coins or bank notes of countries other than Canada.

The purpose of client identification is to verify the identity of the person (name, address and date of birth) with whom you are dealing, in the case of a natural person, and, in the case of an entity, to verify the existence of the entity with which you are dealing and to verify the identity of the individual who is dealing on its behalf (with reference to corporate/other entity documentation).

AML Legislation permits client identification to occur in the following ways:

1. For individuals (natural persons):
  - a. Face-to-face: If the client is met in person, AML Legislation permits Accountants and Accounting Firms to verify their identity with reference to one piece of original government-issued valid and unexpired identification. See Appendix G—Identification of Individuals in Person: Method and Form.
  - b. Non-Face-to-Face: When a client is identified remotely (i.e., they are not physically present when you inspect their original, valid, and unexpired piece of government-issued identification), AML Legislation permits reference to a combination of one necessary and one sufficient identification method. The necessary methods include reference to credit checks or an attestation by a limited class of professionals, and the acceptable sufficient identification methods generally include confirmation against a Canadian deposit account. See Appendix H—Identification of Individuals Non-Face-to-Face: Methods.
  - c. Using an Agent or Mandatary: It is possible to contract a third party to conduct face-to-face identification measures on your behalf (i.e., have a third party pre-contracted to verify the identity of a client with reference to one piece of original government-issued valid and unexpired identification). See Appendix I—Identification of Individuals by Third Parties: Methods.

Individual client information records must be maintained for five years following the date on which they were created.

2. For entities: Where an entity is the client for Triggering Activities, the Accountant or Accounting Firm must confirm the existence of the entity with reference to its incorporation records, organizing agreements, and retain a copy of the part of official corporate records that contains any provision relating to the power to bind the corporation. See

Appendix J—Confirming the Existence of an Entity. Information collected in respect of this obligation must be maintained for five years following the date the last business transaction is conducted.

Successful client identification need not be repeated for subsequent transactions if the Accountant/Accounting Firm recognizes the client.<sup>33</sup>

### **3.1.2.3 *Third Party Determination***

Third party determination involves taking measures to confirm whether or not the person from whom the cash is received is acting on someone else's instructions, and then collecting details about that instructing party. The instructing party may be an individual or an entity. The required details include:

- name, address and principle business or occupation of the third party
- if the third party is an individual, their date of birth
- if the third party is a corporation, the incorporation number and place of incorporation
- the nature of the relationship between the third party and the individual who gives you the cash

This information can be recorded on the Large Cash Transaction Record, and must be maintained for five years following the transaction.

An employee is not considered to be a third party with respect to their employer.

### **3.1.2.4 *Large Cash Transaction Record and Report***

AML Legislation requires that Accountants and Accounting Firms create a Large Cash Transaction Record and retain it for five years following the transaction, and also that they file a Large Cash Transaction Report with FINTRAC on paper or electronically within 15 days following the transaction. Client identification and third party determination should precede the completion of the record and report to obtain all necessary details (as long as those steps can be completed and the report filed within the 15 day timeline).

A sample of the Large Cash Transaction Report form is included in Appendix K—Large Cash Transaction Report Form.<sup>34</sup> All fields marked with an asterisk are mandatory fields. All other fields are “reasonable efforts” fields, which mean that they must be completed if the information is available to the Accountant or Accounting Firm. Maintaining a copy of the Large Cash

<sup>33</sup> FINTRAC's administrative position is that “recognizing the client” involves recognizing the face or voice of an individual.

<sup>34</sup> An electronic version can be obtained from FINTRAC's website by following this link: [www.fintrac.gc.ca/publications/LCTR-2008-eng.pdf](http://www.fintrac.gc.ca/publications/LCTR-2008-eng.pdf).

Transaction Report can serve as a Large Cash Transaction Record, since the mandatory fields of the report cover all the requirements of the record. Field-by-field guidance on completing the report is included after the sample in Appendix K—Large Cash Transaction Report Form.

A suspicious transaction report (explained in section 3.1.3) may also be filed in respect of the transactions reported as large cash transactions if circumstances warrant.

### **3.1.3 Suspicious Transaction or Activity**

Within 30 days of the detection of facts first giving rise to suspicion, Accountants and Accounting Firms must report electronically or on paper attempted and completed suspicious transactions which relate to Triggering Activities to FINTRAC using the prescribed forms. A sample form is included at Appendix L—Suspicious Transaction Report Form.<sup>35</sup> The occurrence of a suspicious transaction also gives rise to an obligation to take reasonable measures to ascertain the identity of a person that attempts or conducts the suspicious transaction unless that person had been previously identified according to the AML Legislation standards, or if conducting the identification would make the person aware that a report was being filed (known as “Tipping Off”).

#### **3.1.3.1 Establishing Reasonable Grounds for Suspicion**

According to AML Legislation, Accountants and Accounting Firms are required to report to FINTRAC, using the prescribed form, every financial transaction that occurs or is attempted in the course of Triggering Activities and in respect of which there are reasonable grounds to suspect that the transaction is related to the commission or the attempted commission of (a) a money laundering offence; or (b) terrorist activity financing offence.<sup>36</sup>

The offence of money laundering in Canada broadly involves a person who deals with property or proceeds of any property they know or believe was derived directly or indirectly as a result of a designated offence committed in Canada or elsewhere, with the intent to conceal or convert<sup>37</sup> that property or those proceeds.<sup>38</sup> Designated offences include all manner of offences that can generate proceeds and could result in jail sentences of two years or more (even murder for hire). Particularly, they include offences related to:

<sup>35</sup> An electronic version can be obtained from FINTRAC's website by following this link: [www.fintrac.gc.ca/publications/STR-2008-eng.pdf](http://www.fintrac.gc.ca/publications/STR-2008-eng.pdf).

<sup>36</sup> PCMLTFA section 7.

<sup>37</sup> Convert means to change or transform, and does not require an element of concealment (R. v. Daoust, [2004] 1 SCR 217, 2004 SCC 6).

<sup>38</sup> Criminal Code of Canada subsection 462.31.

drugs, fraud, theft, robbery, tax evasion, copyright, as well as break and enter. According to FINTRAC, the person reporting the transaction need not have knowledge or suspicion of the specific offence that gave rise to the proceeds, only reasonable grounds to suspect that reported transactions are related to money laundering or terrorist financing.<sup>39</sup>

The offence of terrorist financing generally involves providing or collecting property intending or knowing that it will be used in whole or in part to carry out a terrorist activity. Terrorist activity includes such things as acts committed for a political, religious, ideological purpose with the intention of intimidating the public with regard to economic or physical security, or compelling any person, government or international organization to do or to refrain from doing any act, and that intentionally causes or endangers health, property, services, facilities or systems.<sup>40</sup> The government maintains a list of entities they have reasonable grounds to believe have knowingly carried out, attempted to carry out, participated in or facilitated terrorist activity; or knowingly acting on behalf of such an entity.<sup>41</sup>

Research has found that the methods employed for money laundering and terrorist financing are similar.

Reasonable grounds to suspect has been held to be equivalent to a “sufficient reasonable articulable suspicion,”<sup>42</sup> which must rely on a “constellation of objectively discernible facts”.<sup>43</sup> A “hunch based on intuition gained by experience”<sup>44</sup> is not sufficient. The discernible facts can consist of information collected about the client, their historical and expected transaction behaviour, and research conducted. One way of identifying potentially suspicious transactions is to be vigilant about indicators of money laundering (see section 3.1.3.3) at the time of the transaction. Another is through the conduct of ongoing monitoring and enhanced due diligence of clients and their activities (discussed in section 3.2).

### **3.1.3.2 How Money is Laundered**

Money laundering methods are often described in three stages: placement, layering and integration. A money launderer’s first problem is typically placing cash into the financial system. The placement stage attracts the most

39 FINTRAC Frequently Asked Questions: [www.fintrac.gc.ca/questions/FAQ/2-eng.asp?ans=65](http://www.fintrac.gc.ca/questions/FAQ/2-eng.asp?ans=65).

40 Criminal Code of Canada section 2.

41 [www.publicsafety.gc.ca/cnt/ntnl-scr/cntr-trrrsm/lstd-ntts/crrnt-lstd-ntts-eng.aspx](http://www.publicsafety.gc.ca/cnt/ntnl-scr/cntr-trrrsm/lstd-ntts/crrnt-lstd-ntts-eng.aspx)

42 R. v. Mann, [2004] 3 SCR 59, 2004 SCC 52.

43 R. v. Simpson (1993), 12 O.R. (3d) 182.

44 R. v. Mann, [2004] 3 SCR 59, 2004 SCC 52.

attention, and is the one at which most money laundering laws and risk mitigation tools are directed, and is therefore one of the hardest stages. Even if just this one stage is accomplished, money is laundered—since the proceeds of crime have been converted. Placement is so critical to money laundering because once nefariously generated funds are in the system, it becomes difficult to distinguish a good dollar from a bad dollar. Placement is sometimes accomplished by simply depositing illicitly generated funds at a financial institution, while others involve converting cash into commodities like gold and diamonds before selling them into the financial system.

More sophisticated schemes also try to create further distance and obscurity between that original transaction and the ultimate use of the money—ideally severing the audit trail, a process called layering. Layering might involve changing the domicile of money, or transferring it in ways that obscures the origin or destination of the funds. Integration is commonly known as the final stage of money laundering—it is the stage during which the proceeds of crime are used to buy assets or pay for further criminal operations. For a money launderer, it is ideal that the assets and payments funded by criminal activities have an alternative legitimate explanation for their origin.

The methods and techniques employed at any of those stages vary in complexity and sophistication and will depend on the jurisdiction, the origins and amount of money that needs to be cleaned. A report issued by the Egmont Group,<sup>45</sup> a worldwide association of Financial Intelligence Units, suggests five general categories of means by which money is laundered (known as “typologies”): Concealment within Business Structures; Misuse of Legitimate Businesses; Use of False Identities, Documents, or Straw Men; Exploiting International Jurisdictional Issues; and the Use of Anonymous Asset Types.

### **3.1.3.2.1 *Concealment within Business Structures***

Money laundering schemes can involve concealing illicit proceeds of crime within the structure of an existing business owned or controlled by the criminal organization. The funds can be intermingled with legitimate transactions of the business and moved throughout the financial system. Detecting this type of activity is difficult as it may take great amounts of analysis to distinguish between legitimate business transactions and those above and beyond which would be from criminal activities. False invoices and receipts can be utilized to demonstrate to their financial institution that the transactions have in fact “occurred”. However, the funds being deposited are in fact proceeds of crime disguised as legitimate business profits.

<sup>45</sup> FIU's in Action: 100 cases from the Egmont Group.

#### **3.1.3.2.2 Misuse of Legitimate Businesses**

A similar scheme is through legitimate businesses which are not controlled by the criminal organization. One advantage over the previous scheme is that this method provides additional separation for the criminal organization as the criminal funds would be linked to the legitimate business and not the criminals misusing the business. For instance, illicit funds may be deposited with a financial institution and transferred to an account held at a foreign financial institution.

#### **3.1.3.2.3 Use of False Identities, Documents, or Straw Men**

False identities, documents and “straw men” are another common method utilized to launder proceeds of crime. This involves separating the assets from a criminal and associating the funds with an individual who had no involvement with the initial criminal activity. For instance, false documents and identities can be used to open bank accounts and create a buffer between the criminal and the illicit funds. Even if the criminal is prosecuted and has all assets under their name seized, the assets held under a false identity will be available.

#### **3.1.3.2.4 Exploiting International Jurisdictional Issues**

On a larger scale, international jurisdictions are exploited for the benefit of laundering money. Criminals will take advantage of differing legislation in foreign jurisdictions to successfully launder illicit proceeds of crime. For instance, identification requirements, disclosure requirements, company formation laws and secrecy laws all provide avenues that are exploited for the benefit of disguising and laundering funds. In favourable jurisdictions, criminals can open bank accounts, form corporations and send funds with ease and secrecy and, therefore, distort the true source and ownership of the illicit funds.

#### **3.1.3.2.5 Use of Anonymous Asset Types**

Similarly, the use of anonymous asset types allows criminals to separate the ownership of the assets from themselves and any law enforcement actions related to those assets. Cash, jewellery and precious metals are all anonymous asset types favoured by criminals. This explains the prevalence of conducting drug trafficking in cash as opposed to other payment methods which can be traced back to the criminal.

#### **3.1.3.3 Indicators of Money Laundering and Terrorist Financing**

In its Guideline 2 in respect to suspicious transaction reports, FINTRAC provides a number of indicators about which Accountants and Accounting Firms should be vigilant.<sup>46</sup> The presence of an indicator is one factor which may lead to the consideration of a suspicious transaction report, but by itself is

46 [www.fintrac.gc.ca/publications/guide/Guide2/2-eng.asp](http://www.fintrac.gc.ca/publications/guide/Guide2/2-eng.asp)

not definitive. Contextual information about the client, the transaction(s) and historical behaviour will assist in determining whether there are sufficient grounds to suspect the transactions are relevant to a money laundering or terrorist financing offence.

- Client appears to be living beyond his or her means.
- Client has cheques inconsistent with sales (i.e., unusual payments from unlikely sources).
- Client has a history of changing bookkeepers or accountants yearly.
- Client is uncertain about location of company records.
- Company carries non-existent or satisfied debt that is continually shown as current on financial statements.
- Company has no employees, which is unusual for the type of business.
- Company is paying unusual consultant fees to offshore companies.
- Company records consistently reflect sales at less than cost, thus putting the company into a loss position, but the company continues without reasonable explanation of the continued loss.
- Company shareholder loans are not consistent with business activity.
- Examination of source documents shows misstatements of business activity that cannot be readily traced through the company books.
- Company makes large payments to subsidiaries or similarly controlled companies that are not within the normal course of business.
- Company acquires large personal and consumer assets (i.e., boats, luxury automobiles, personal residences and cottages) when this type of transaction is inconsistent with the ordinary business practice of the client or the practice of that particular industry.
- Company is invoiced by organizations located in a country that does not have adequate money laundering laws and is known as a highly secretive banking and corporate tax haven.

#### **3.1.3.4 *Tipping Off***

It is an offence to disclose that a suspicious transaction report has been filed, or to disclose the content of such a report, with the intent to prejudice a criminal investigation, whether or not a criminal investigation has begun.<sup>47</sup> However, it is common practice in other industries for reporting entities to request clarifying information about transactions for the purpose of enhanced due diligence, without reference to suspicious transaction reporting obligations.

<sup>47</sup> PCMLTFA section 8.

### **3.1.3.5 Client Identification**

The occurrence of a suspicious transaction gives rise to an obligation to take reasonable measures to ascertain the identity of a person that attempts or conducts the suspicious transaction unless that person has been previously identified according to the AML Legislation standards. Identification should not be attempted if that attempt risks tipping off the client to the consideration or filing of a report. The policy of conducting identification at the engagement stage for a Triggering Activity helps to alleviate both the need to identify following a suspicious transaction and the risk that doing so will tip off a client to the filing of a report.

The purpose of client identification is to verify the identity of the person (name, address and date of birth) with whom you are dealing, in the case of a natural person, and, in the case of an entity, to verify the existence of the entity with which you are dealing and to verify the identity of the individual who is dealing on its behalf (with reference to corporate/other entity documentation).

AML Legislation permits client identification to occur in the following ways:

1. For individuals (natural persons):
  - a. Face-to-face: If the client is met in person, AML Legislation permits Accountants and Accounting Firms to verify their identity with reference to one piece of original government-issued valid and unexpired identification. See Appendix G—Identification of Individuals in Person: Method and Form.
  - b. Non-Face-to-Face: When a client is identified remotely (i.e., they are not physically present when you inspect their original, valid, and unexpired piece of government-issued identification), AML Legislation permits reference to a combination of one necessary and one sufficient identification method. The necessary methods include reference to credit checks or an attestation by a limited class of professionals, and the acceptable sufficient identification methods generally include confirmation against a Canadian deposit account. See Appendix H—Identification of Individuals Non-Face-to-Face: Methods.
  - c. Using an Agent or Mandatary: It is possible to contract a third party to conduct face-to-face identification measures on your behalf (i.e., have a third party pre-contracted to verify the identity of a client with

reference to one piece of original government-issued valid and unexpired identification). See Appendix I—Identification of Individuals by Third Parties: Methods.

Individual client information records must be maintained for five years following the date on which they were created.

2. For entities: Where an entity is the client for Triggering Activities, the Accountant or Accounting Firm must confirm the existence of the entity with reference to its incorporation records, organizing agreements, and retain a copy of the part of official corporate records that contains any provision relating to the power to bind the corporation. See Appendix J—Confirming the Existence of an Entity. Information collected in respect of this obligation must be maintained for five years following the date the last business transaction is conducted.

### **3.1.3.6 *Completing the Suspicious Transaction Record and Report***

Completed and attempted suspicious transactions can be reported to FINTRAC either electronically, if the Accountant/Accounting Firm has the technical capability to do so, or, otherwise, in paper format. A copy of the paper form is attached in Appendix L—Suspicious Transaction Report Form along with field-by-field guidance on completing the report. A copy must be retained for five years following the transaction(s), and filed with FINTRAC within 30 days of the detection of facts first giving rise to suspicion. All fields marked with an asterisk are mandatory fields. All other fields are “reasonable efforts” fields, which mean that they must be completed if the information is available to the Accountant or Accounting Firm.

Maintaining a copy of the Suspicious Transaction Report can serve as a Suspicious Transaction Record, since the mandatory fields of the report cover all the requirements of the record.

Client identification, if possible, should precede the completion of the record and report to obtain all necessary details (so long as those steps can be completed and the report filed within the 30 day timeline).

FINTRAC has identified the suspicious transaction narrative portion of the report (known as section G) as being the most critical to their intelligence objectives. In addition to detailing reasons for suspicion, FINTRAC desires these information elements in the narrative: the names of individuals and entities involved in transactions; directorships and signing authorities for business entities; account numbers and other key identifiers (e.g., date of birth,

government-issued ID, addresses, telephone numbers); the flow of funds; historical transaction activity; and associated entities and individuals and relationships between them (e.g., family members, business associates).<sup>48</sup>

### **3.1.4 Knowledge of Terrorist Property**

In the context of performing Triggering Activities, Accountants and Accounting Firms are required to report to FINTRAC using the prescribed paper form without delay when they know they are in possession or control of property that is owned or controlled on behalf of a terrorist or terrorist group, and when they believe they are in possession or control of property that is owned or controlled by or on behalf of a designated person. It is an offence to deal with such property, and imperative that it be reported without delay to the RCMP and the Canadian Security Intelligence Service (CSIS). AML Legislation does not impose a duty on Accountants or Accounting Firms to screen the names of their Triggering Activities clients against terrorist lists. An Accountant or Accounting Firm may, for example, become aware of such a situation because of research conducted during engagement acceptance procedures, through press clippings, or based on the advice of law enforcement.

If the Accountant or Accounting Firm is not sure that the property is owned or controlled on behalf of a terrorist, terrorist group or designated person, FINTRAC encourages the filing of a suspicious transaction report (see section 3.1.3) instead of a terrorist property report.

#### **3.1.4.1 *Terrorists, Terrorist Groups, and Designated Persons***

Canada's listings of terrorists, terrorist groups, and designated persons are available on the Public Safety Canada website ([www.publicsafety.gc.ca/cnt/ntnl-scrt/cntr-trrrsm/lstd-ntts/crrnt-lstd-ntts-eng.aspx](http://www.publicsafety.gc.ca/cnt/ntnl-scrt/cntr-trrrsm/lstd-ntts/crrnt-lstd-ntts-eng.aspx)) and from the Office of the Superintendent of Financial Institutions' website ([www.osfi-bsif.gc.ca/Eng/fi-if/amlc-clrpc/atf-fat/Pages/default.aspx](http://www.osfi-bsif.gc.ca/Eng/fi-if/amlc-clrpc/atf-fat/Pages/default.aspx)).

#### **3.1.4.2 *Definition of Property***

Property means any type of real or personal property which includes any deed or instrument giving title or right to property, or giving right to money or goods (for example, cash, bank accounts, insurance policies, money orders, real estate, securities, precious metals and stones, and traveler's cheques).

### **3.1.4.3 *Filing a Terrorist Property Report***

The Terrorist Property Form included as Appendix M—Terrorist Property Form<sup>49</sup> must be filed with FINTRAC without delay by faxing it to 1.866.226.2346. A copy must be retained for five years following the transaction, and it is advisable to maintain a record of successful transmission of the fax. Instructions to complete the form are included on the pages following the form. All fields marked with an asterisk are mandatory fields. All other fields are “reasonable efforts” fields, which mean that they must be completed if the information is available to the Accountant or Accounting Firm.

### **3.1.4.4 *Advising the RCMP and CSIS***

Concurrent with the filing of a terrorist property report, the Accountant or Accounting Firm must send the information to the RCMP and CSIS without delay. That may be accomplished by faxing the completed terrorist property report to the RCMP Anti-Terrorist Financing Team at 613.949.3113 and to the CSIS Financing Unit at 613.231.0266. It is advisable to maintain a record of the successful transmission of both faxes.

## **3.2 Ongoing Monitoring of Triggering Activity Business Relationships**

Pursuant to regulatory amendments known as SOR/2013-15, Accountants and Accounting Firms must recognize the establishment of a “business relationship” with any client for which two or more Triggering Activities are performed and client identification is required after January 31, 2014, within any rolling five year period. That is, a business relationship is established for every client for which two or more transactions occur involving the creation of a receipt of funds record and a large cash or suspicious transaction report is filed within any rolling five year period. The establishment of a business relationship gives rise to the immediate obligation to keep a record that sets out the “purpose and intended nature of the business relationship”, and then the ongoing obligations to periodically monitor the business relationship, on a risk-sensitive basis, for the purpose of:

1. Detecting any reportable suspicious transactions or attempted suspicious transactions.
2. Keeping client identification information up-to-date.
3. Reassessing the level of risk associated with the client’s transactions and activities.

<sup>49</sup> An electronic version can be obtained from FINTRAC’s website by following this link: [www.fintrac.gc.ca/publications/TPR-2008-eng.pdf](http://www.fintrac.gc.ca/publications/TPR-2008-eng.pdf).

4. Determining whether transactions or activities are consistent with the information obtained about the client, including the risk assessment of the client.

All of the measures and the definition of purpose and intended nature of the business relationship are with reference only to Triggering Activities. Non-Triggering Activities (such as the performance of an audit engagement) are to be excluded from the analysis.

Measures undertaken to conduct ongoing monitoring, as well as findings and outcomes, must be documented. Ideally, all ongoing monitoring for any given client is conducted on the same cycle to achieve efficiencies.

### **3.2.1 Defining the Purpose and Intended Nature of a Business Relationship**

In FINTRAC's Guideline 6D, a non-exhaustive list of three potential "Purpose and Intended Nature of Business Relationship" descriptions is suggested:

- transferring funds or securities
- paying or receiving funds on behalf of a client
- purchasing or selling assets or entities

The Purpose and Intended Nature of Business Relationship must be recorded in a Business Relationship Record created at the inception of the business relationship. FINTRAC guidance suggests that the information recorded is meant to assist in understanding the client's activities over time, and that a determination could be achieved through a combination of information on hand and inquiries of the client. In professional accounting scenarios, the engagement letter typically documents the client's objectives (purpose of the business relationship) and services to be offered (nature of the business relationship). It is critical that policies and procedures reflect the adoption of that information source for the determination if that is the approach taken by the Accountant or Accounting Firm.

### **3.2.2 Ongoing Monitoring: Detecting Suspicious Transactions and Assessing Consistency of Transactions with Client Knowledge and Risk**

An ongoing monitoring exercise to detect suspicious transactions for a client with which an Accountant or Accounting Firm has established a business relationship for Triggering Activities would generally involve a historical review of Triggering Activities conducted in the period under the review. The review frequency and scope would depend on the assessment of the client's risk, and should be documented. Triggering Activity transactions would generally

be compared against expectations and in view of suspicious transaction indicators, for a perspective that might not have arisen for consideration of each Triggering Activity transaction in isolation.

### **3.2.3 Ongoing Monitoring: Keeping Client Identification Information Up-To-Date**

Keeping client identification up-to-date for clients with which the Accountant or Accounting Firm has established a business relationship must occur with a frequency commensurate with the client's money laundering risk. Updating client information does not involve re-identifying the client—re-identification should generally occur only when the veracity of identification is in question, or when a client is not recognized in the course of a transaction attempt. Client information updates, rather, involve re-confirming and updating information regarding client identification which might change over time, such as legal name, address and occupation. The measures taken and outcomes must be documented contemporaneously.

### **3.2.4 Ongoing Monitoring: Reassessing Client Risk Levels**

As explained in the section titled *3.3.2 Risk Assessment and Mitigation*, client risk levels are determined with reference to their characteristics, products and services, relevant geographies and other relevant factors. Through ongoing monitoring with a frequency determined by the pre-existing risk level, client risk is re-evaluated against risk factors established by the Accountant or Accounting Firm. Based upon a review of the client's activities and transactions and the updated client information, it may result in a higher or lower risk assessment for the client. For instance, if the client has reduced the amount of activity and their transactions have become less frequent, all else being equal, their risk level may be reduced to low from medium. The opposite is also true where based on a change in client information and activity, the level of risk can be raised from low to medium or high. The rationale for changes to the risk level should reflect the risk assessment methodology established when the risk assessment documentation was created.

## 3.3 Implementing and Maintaining a Program to Ensure Performance of Compliance Tasks

AML Legislation requires that Accountants and Accounting Firms implement and keep an up-to-date program to achieve compliance with required tasks. The Compliance Regime is comprised of five mandatory components:

1. a designated compliance officer
2. an inherent risk assessment and risk mitigation plan
3. policies and procedures
4. an ongoing training program
5. an effectiveness review

### 3.3.1 Designated Compliance Officer

As part of the Compliance Regime, you are required to appoint a person who is responsible for the implementation of the Compliance Regime. The Compliance Officer has an overall accountability for the Compliance Regime. The person that is appointed the role of the Compliance Officer should be adequately qualified and maintain relevant anti-money laundering and counter terrorist financing knowledge.

#### 3.3.1.1 *Sample Role Description of a Compliance Officer*

- The Compliance Officer is to ensure that the AML policies and procedures are kept up-to-date and that all changes are approved by Senior Management and the Board of Directors.
- The Compliance Officer is to ensure that the risk-based training program is documented and tailored to meet the AML roles and responsibilities of different staff.
- The Compliance Officer is to ensure that the effectiveness review of the organization's Compliance Regime will be conducted at least every two years.
- The Compliance Officer is to conduct an assessment of the inherent risk of money laundering and terrorist financing on an ongoing basis.
- The Compliance Officer should understand and monitor the effectiveness of the technology used to enable AML compliance to ensure that transactional alerts and regulatory reports generated are accurate, complete and reflect the actual operations of the organization.

### **3.3.1.2    *Sample Qualifications of a Compliance Officer***

The person that is appointed the role of the Compliance Officer should be adequately qualified and maintain relevant anti-money laundering and counter terrorist financing knowledge. The Compliance Officer should have the following:

- Thorough working knowledge of money laundering and counter terrorist financing risks and controls of the organization.
- Knowledge of the anti-money laundering and counter terrorist financing regulatory requirements.
- Broad knowledge of the operations of the organization.
- Appropriate professional qualifications, experience and strong leadership skills.

The appointment of the Compliance Officer, and any changes to that appointment, should be formally documented.

## **3.3.2    Risk Assessment and Mitigation**

### **3.3.2.1    *Accountants and Accounting Firms' Risk of Money Laundering/Terrorist Financing***

Accountants are considered “gatekeepers” of the financial system. Gatekeepers, as defined by the Financial Action Task Force (FATF), are individuals that protect the gates to the financial system through which potential users of the system, including launderers, must pass in order to be successful.

According to studies conducted by international organizations, accountants are highly susceptible to money laundering risk and have been exploited by money launderers, with and without the accountant’s knowledge of the illicit operations or objectives. Money launderers increasingly rely on the advice or services of specialized professionals to help facilitate their financial operations. Accountants have specific skills and expertise and can provide specialized services, advice and access to industry insiders.

Accountants provide a wide range of services that are most useful to potential money launderers. These services include:

- buying and selling real estate
- management of client money, securities or other assets
- management of bank, savings or securities accounts
- organization of contributions for the creating, operation or management of companies
- creation, operation or management of legal person or arrangements, and buying and selling of business entities

According to the *Global Money Laundering and Terrorist Financing Threat Assessment* published by the FATF in 2010, the most significant cases involved sophisticated schemes that were only possible with the assistance of skilled professionals that were able to set up corporate structures to disguise the source and ownership of the money.

### **3.3.2.2 Requirement for a Risk Assessment**

Accountants and Accounting Firms are obligated to include in their Compliance Regimes the conduct and documentation of a money laundering and terrorist financing risk assessment, and to adopt measures which mitigate identified risks.

Risk assessment requirements are prescribed at subsection 9.6(2) of the PCMLTFA, and paragraph 71(1)(c) of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations* (PCMLTFR). Those provisions require that Accountants and Accounting Firms assess and document the risk (likelihood and significance) of money laundering or terrorist financing activity occurring in the course of their activities. It must take into account the organization's:

1. clients and business relationships
2. products and delivery channels
3. geographic location of activities
4. other relevant factors

Neither the FATF nor FINTRAC advocate a particular method or format for risk assessments, but expect that the risk-based approach will lead to greater diversity in practice which can lead to innovation and improved compliance.

The PCMLTFA at subsection 9.6(3) and the PCMLTFR at section 71.1 require that prescribed special measures be taken for higher risk activities, including policies and procedures for periodic client identification updates, ongoing monitoring for the purpose of detecting suspicious transactions, and others that mitigate identified risks.

Ultimately, risk assessments should lead to controls designed to make it more difficult for criminal elements to use Accountants and Accounting Firms to launder their illicit proceeds.

### **3.3.2.3 Risk Assessment Process**

The risk assessment process is a consultative process throughout the organization which allows for a thorough understanding of the business structure along with all areas of risk. The first step in the risk assessment process is identifying where within your organization Triggering Activities are being

conducted and classifying those activities into the correct category. For instance, the business consulting team at an Accounting Firm may purchase and sell businesses on behalf of their clients. To determine what activities are being conducted can involve interviews with partners or service line leads to obtain an adequate understanding of the business to determine if Qualifying Activities are being conducted or could be conducted in the future. A questionnaire can be used if the organization is large with offices across the country. Once it has been determined where the activities are being conducted and which specific ones they are, a risk rating can be completed on each specific Qualifying Activity.

FINTRAC guidance provides assistance with the risk rating process and allows for objective classification using established criteria. For instance, services that allow for client anonymity are recommended to be rated as high risk services. This criterion can be applied to Triggering Activities because it is not a requirement to identify a client unless they have provided funds of \$3,000 and above, conducted a large cash transaction or conducted/attempted a suspicious transaction. Therefore, any Triggering Activity that does not involve a trigger for ascertaining identification may be classified as high risk. This example is meant as a guide and, in practice, many other factors can be considered in the risk rating process of all products and services.

Regardless of the risk rating, it is important to provide rationale for the rating and to ensure that the reasons provided are reasonable. The level of risk associated to each Triggering Activity will determine if any additional enhanced due diligence needs to be taken. For activities deemed to be low or medium risk, it is not a requirement to have enhanced due diligence measures, but if the risk of the activity is high, enhanced due diligence measures are mandatory. In the example above, if the transaction is conducted without requiring identification and it is deemed high risk, additional enhanced due diligence measures should be documented and conducted.

### **3.3.2.4 Risk Assessment**

The Compliance Regime is to include a documented risk assessment of the risk of money laundering and the terrorist financing offence. The risk assessment involves assessing and documenting the risks, taking into consideration the following risk categories:

#### **3.3.2.4.1 Clients and business relationships**

This factor should fully explain all clients that you are dealing with and it should consider the nature of the relationship with the clients. It is about understanding your clients and the types of activities and transactions that

they normally conduct. The nature of the relationships should consider things such as the length of the relationship and how the client was acquired or introduced. Certain client industries are considered a higher risk of money laundering and/or terrorist financing such as cash-intensive businesses, and these elements should be considered within the risk of each client. For instance, the risk level of a client with a convoluted legal structure based in a known client offshore secrecy jurisdiction would, all else being equal, be a higher risk client than an individual client engaged in a personal tax return service. It is recommended that a list of low, medium and high risk business types be created that can be used objectively for all future clients. The same process is recommended for occupation types.

#### ***3.3.2.4.2 Products and delivery channels***

Elements to consider within this factor include itemizing all products and services that are offered and assessing the risk of money laundering and/or terrorist financing associated with each specific product and service. For instance, the risk associated with a short tax engagement may be lower than the risk of an extensive investment advisory engagement spanning several years. The delivery channels through which products and services are offered also need to be analyzed within this risk factor. Specifically, you need to consider how the products and services are actually delivered to your clients. For instance, are all clients serviced through face-to-face meetings or are there any offerings available through non-face-to-face methods. The risk of having non-face-to-face delivery methods would, all else being equal, be higher than face-to-face as the ability to disguise identification becomes easier with the increase in distance between the service/product supplier and the client. It is recommended that a list of all products and services be created along with their associated risk. Any products or services that are determined to be a high risk of money laundering and/or terrorist financing would require your organization to document enhanced due diligence measures when those products or services are offered.

#### ***3.3.2.4.3 Geographic location of the activities***

It is important to consider the geographic locations in which your organization operates in addition to the geographic location of your clients. Specific to area of operations, the level of detail may be as high-level as a breakdown by province or as granular as an office-by-office risk assessment. The crime level and prevalence of specific criminal activities are elements to consider when completing the assessment of geographic risk of your operations. As well, the same framework will guide your organization in assessing the geographic

location of your clients. However, the geographic location of the client may be included in their specific risk assessment. It is recommended that a risk scoring be done on all office locations to rank them according to risk.

#### **3.3.2.4.4 Any other relevant factor**

Within this “catch-all” remaining factor, things to consider include all elements outside of the first three factors. For instance, what is the level of turnover within your organization? Is there a restriction placed on staff members before they successfully complete AML training? The risk of money laundering and/or terrorist financing will increase for these elements if the turnover is high and there are no restrictions to staff responsibilities prior to completing training. It is recommended that for staff working in areas more prone to money laundering and/or terrorist financing risks, restrictions or oversight be placed upon their day-to-day activities until such a time as their training has been successfully completed.

#### **3.3.2.4.5 Risk Mitigation**

The purpose of the risk assessment is to apply a risk-based approach where resources are appropriately allocated to address high risk areas. The risk assessment should also include risk mitigation measures. This means that where you have identified areas of high risk, you have to take special measures to mitigate the risks to a level to which you are comfortable.

The AML Legislation prescribes special measures that are to be applied for identified areas of high risk, also known as enhanced due diligence measures. These measures can be specific to the prescribed factor or can be applied directly to the clients if they are deemed high risk.

### **3.3.3 Enhanced Due Diligence and Ongoing Monitoring**

Where a client conducts a transaction that requires you to identify them, there are specific AML obligations that require you to conduct ongoing monitoring. Where you have identified a client to be high risk, you must also conduct enhanced due diligence measures to mitigate those risks.

Where you have identified the client to be high risk based on your ongoing monitoring, you must apply enhanced due diligence measures to mitigate the risk. The AML Legislation prescribes specific enhanced due diligence measures that are to be applied where there are high risk clients. This includes applying the following:

- Taking enhanced measures to ascertain client identification that are in addition to the standard client identification requirements.

- Taking any other enhanced measures to mitigate the identified risks including:
  - keeping client identification information and beneficial ownership information up-to-date
  - enhanced ongoing monitoring of business relationships for the purpose of detecting suspicious transactions to be reported to FINTRAC

### **Enhanced Due Diligence—Client Specific**

The following enhanced due diligence measures can be utilized for high risk clients:

- Requiring that only an acceptable **photo** identification be accepted when required to ascertain the client's identification.
- Requiring a second piece of identification when required to ascertain the client's identification.
- Confirming the address of the client by requesting affirming documentation such as a utility bill or cable bill with a matching name.
- Confirming the occupation by requesting affirming documentation such as an employment letter or recent pay stub to confirm the current occupation.
- When dealing with an entity:
  - requiring that a status of corporation be provided instead of articles of incorporation to ensure the corporation is still active
  - ascertaining the identification of all directors or authorized signers of the entity
  - confirming the entity's operations by conducting a physical drive-by of the premises
  - asking for beneficial ownership information on all clients
- Reviewing the client's activity on a pre-determined frequency, such as every six months or annually, for any suspicious transactions.
- Internet searches for any negative news matches on individual clients or directors/signing officers from an entity client.
- Checking names against a reputable names list such as World-Check for potential Politically Exposed Foreign Persons (PEFP) upon the creation of an engagement.
- Extending the PEFP determination to include any domestic positions.

### **Enhanced Due Diligence—Products, Services, Delivery Channels, Geographical**

The following enhanced due diligence measures can be utilized for high risk factors:

- For geographical areas ranked high risk, require secondary approval of all transactions.
- Prohibiting certain transactions if the client is domiciled in a high risk geographical area.
- Requesting source of funds/source of wealth documentation for clients in high risk areas.
- Requesting additional identification when offering products or services deemed high risk.

Ultimately the enhanced due diligence taken is a measure that goes above and beyond what is required for regular transactions to satisfy standard legislative requirements. It should be noted that a combination of measures may be used depending on the specific situation and when warranted.

#### **3.3.4 Policies and Procedures**

Accountants and Accounting Firms are required to have written and up-to-date compliance policies and procedures in support of the Compliance Regime. The compliance policies and procedures should document applicable legislative requirements and the organization’s procedures to satisfy those requirements. Procedures should also include those that were developed as part of the risk-based approach program.

The compliance policies and procedures should be approved by a Senior Officer and kept up to date, taking into consideration:

- changes to AML legislative requirements
- changes to internal processes and procedures
- changes in products and services that have an effect on AML requirements (for example, new services that will trigger a qualifying activity)
- changes in organizational structures that could affect reporting procedures

##### **3.3.4.1 Minimum Policies**

Considering the parameters and organization of AML Legislation in respect to Accountants and Accounting Firms, we would expect that, at a minimum, the policies listed below would form part of their compliance program. In the immediately following section, we have listed expected headers in a set of policies and procedures for an Accountant or Accounting Firm.

#### **3.3.4.1.1 General Policies**

- “We will identify all Qualifying Activities as they occur within our organization.”
- Definitions of Qualifying Activities along with explanations of where within the organization such activities are being conducted.

#### **3.3.4.1.2 Reporting**

- “All large cash transactions will be reported to FINTRAC within 15 calendar days of receipt whether received at one time or within 24 hours.”
- “All suspicious transactions, whether completed or attempted, will be reported to FINTRAC within 30 days of suspicion.”
- A listing of all suspicious transaction indicators which will lead to reporting.
- “Any terrorist property will be reported to FINTRAC immediately upon knowing.”

#### **3.3.4.1.3 Record Keeping**

- “All required records will be documented and stored for at least five years.”
- “All records will be stored in such a way that allows for their retrieval within 30 days of notice by FINTRAC.”
- “A receipt of funds record will be kept for every transaction where we accept \$3,000 or more from a client.”
- “A large cash transaction record will be kept for every transaction where we accept \$10,000 or more in cash from a client, whether at one time or within 24 hours.”
- “Copies of official corporate records will be kept for all transactions that require the confirmation of the existence of a corporation.”
- “All suspicious transaction reports will be stored on file.”

#### **3.3.4.1.4 Ascertaining Identification**

- “When a large cash transaction is conducted, the identity of the conductor will be ascertained.”
- “All clients who are the subject of suspicious transactions will have their identification ascertained except when doing so would tip off the client that a suspicious report is being sent to FINTRAC.”
- “When a receipt of funds record is created, the client’s identification will be ascertained and if the individual is acting on behalf of an entity, the entity’s existence will also be confirmed.”

### **3.3.4.1.5 Third Party Determination**

- “For every large cash transaction, a third party determination will be made and if there is a third party connected to the transaction, a record will be kept documenting their details.”

### **3.3.4.2 Sample List of Policies and Procedure Headings**

Policies and Procedures need to include all legislative requirements under the PCMLTFA and be specific to your organization. The factors below can be used to determine the framework of a complete set of Policies and Procedures.

- Policy Statement
  - *Objective*—explains the objective of the policy.
  - *Responsibility*—explains who is responsible for the compliance program.
  - *Background* (including relevant legislative requirements and guidance)—provides a summary of legislation that is applicable to the document.
  - *Policy application*—explains to whom the policies are applicable.
- Procedures
  - *Responsibilities*—explanation of all accountable parties.
  - *Appointment of Compliance Officer*—statement explaining how the appointment is made and who is the current compliance officer.
  - *Procedure Application*—explains to whom the procedures are applicable.
  - *Foreign Currency Translation*—explanation of how transactions in a foreign currency will be treated.
- Compliance Operations
  - *Identifying Triggering Activities*—explanation of how these activities will be found in the organization.
  - *Receipt of funds of \$3,000 or more*—explains the record keeping and ascertaining identification steps taken when these occur.
  - *Receipt of cash of \$10,000 or more*—explains the record keeping, ascertaining identification and reporting steps taken when these occur.
  - *Completed and Attempted Suspicious Transactions*—explains how these transactions are initially detected and the measures taken when they are detected.

- *Terrorist Property Reports*—explains the process for determining if property is held and the steps taken when a positive match is found.
- *Business Relationship Establishment and Ongoing Monitoring*
  - explains the concept and what measures are taken to satisfy the requirements.
- *Enhanced Due Diligence*—establishes the measures taken and when they would be applicable.
- Risk-Based Approach
  - *Responsibility and Application*—explains who is accountable for this and how it applies.
  - *Risk Assessment*—includes the four prescribed factors and classifies all areas into a specific risk category.
  - *Risk Mitigation*—explains the enhanced due diligence measures taken for areas deemed to be high risk.
- Training Program
  - *Responsibility and Application*—explains who this applies to and the person/team accountable for this program.
  - *Program Content*—summarizes the training material.
- Effectiveness Review
  - *Responsibility and Application*—explains who is accountable for this program component.
  - *Requirements*—explains the methodology and frequency that will apply.

### 3.3.5 Ongoing Training Program

If you have employees, agents or other persons authorized to act on the company's behalf, you must develop and maintain a written ongoing compliance training program for those employees, agents or persons.

#### 3.3.5.1 Who Must Take the AML Training?

- Anyone who interacts with clients.
- Anyone who sees client transaction activities.
- Anyone who handles cash or funds in any way.
- Anyone who is responsible for implementing or overseeing the Compliance Regime.

### **3.3.5.2 *What Should Be Included in the Ongoing Training Program?***

The ongoing compliance training program is required to be in writing.

Although the AML Legislation does not state what specifically is to be included in the written training program, there are certain expectations of what the ongoing training program should cover. Below are sample headings to include in the ongoing training program:

- content of training material
- how training is to be delivered
- frequency of training
- how training is to be tracked and documented
- who is to receive training
- new hire training and any restrictions on their responsibilities prior to completion of training
- how to address individuals that were not present for training

The actual content of the training program should focus on the areas of greatest importance, and would ideally be role-specific. In an Accounting Firm, the most important concept to teach all staff members is the definition of a Triggering Activity and how to recognize one when it occurs. This key piece of information is a prerequisite to all requirements that come as a result of the Triggering Activity being conducted and should be understood by all staff at your organization. The various indicators of suspicious transactions should be taught to all staff as well. Staff members are the first line of defense in regards to flagging suspicious transactions to the compliance team and being aware of what types of transactions to flag will go a long way in the goal of having an effective Compliance Regime. Finally, the training material should also include a step-by-step process for all staff upon receiving funds for an engagement that includes Triggering Activities. These three areas are a must for all staff to understand and should be expanded on depending on the specific role that the staff member has at your organization.

### **3.3.5.3 *Sample Training Schedule***

A training schedule shows that you have ongoing training in place. It also provides a summary of your ongoing training program that can be used to manage internal resources when it comes to training. The training schedule should align with your ongoing training program and indicate who is to receive training and when training is to roll out. It is important to ensure that the material provided to staff is in context to their role within the organization. The following is a sample training schedule. It is recommended that the date of each training effort be documented.

Type of Staff	Identify-ing Trig-gering Activities	Ascer-taining Identifica-tion and Record Keeping	Money Launder-ing Meth-ods and Detection	Reporting Transac-tions	FINTRAC Exam Process
Leadership	Annual		Annual		
Compliance Administrators	Annual	Annual	Annual	Annual	Annual
Professional Staff	Annual	Bi-Annual	Annual	Bi-Annual	
Administrators	Annual	Annual	Annual	Annual	

### 3.3.6 Effectiveness Review

Accountants and Accounting Firms are required to have an effectiveness review done every two years. The review can be conducted by your internal or external auditor or by you or the firm if you do not have an auditor.

*Important Note: The effectiveness review should be reported to a Senior Officer within 30 days after the assessment and is to include:*

- *The findings of the review.*
- *Any updates made to the policies and procedures based on the assessment.*
- *The status of the implementation of the updates that were made to those policies and procedures.*

#### 3.3.6.1 What Does the Effectiveness Review Cover?

The effectiveness review is a documented review of the effectiveness of the following areas of the Compliance Regime:

- policies and procedures
- risk assessment
- training program

The review must be documented into a report that includes information about the methodology that was used to conduct the review; the scope of the review; what was reviewed; and the findings. When testing the effectiveness of each specific Compliance Regime element above, there are several factors to consider.

Within the Policies and Procedures, testing the effectiveness should include:

- Checking for the presence of all legislative requirements within the document and that they include a policy statement.
- Checking for the presence of specific procedures that satisfy each policy statement.
- Verifying that the procedures are actually being adhered to by staff on a consistent basis throughout the organization.
- Reviewing documentation such as client information records and transaction records to test the procedures.
- Reviewing reported transactions such as LCTRs and STRs to verify the timing and quality component.

The Risk Assessment can be tested in a similar method except the verification process would be tailored with different documentation reviews:

- Checking for the presence of all four prescribed factors within the risk assessment documentation.
- Checking for the presence of inherently low, medium and high risk factors and analyzing whether the risk rankings are current and accurate to the organization.
- Checking for the presence of policy statements related to the risk-based approach specific to high risk areas that require mitigation measures.
- Testing high risk areas through a review of client information and transactions to verify whether the risk mitigation measures have been followed.
- Reviewing reported STRs and any transactions flagged as unusual to verify the process specific to high risk clients.

The Training Program is tested for effectiveness through several measures including:

- Comparing the training material against the specific recipient role within the organization to test the applicability.
- Testing whether all applicable staff are receiving training and whether any gaps exist through a comparison of current and past employees against a training tracking sheet.
- Reviewing any testing materials in place to ensure that appropriate questioning is being used.
- Checking staff quiz/test scores to test the process of adequate retention of material.
- Interviewing staff to test their understanding and retention of training material along with the practical applicability of the material specific to their role.

### 3.3.6.2 Sample Scope

The effectiveness review should include the scope of the review that takes into account the required component of the Compliance Regime. Below is a sample scope that can be used to ensure that all components are being covered in the effectiveness review:

Required Components	Scope	Items to Test
Policies and Procedures	Document Evaluation	AML Policies and Procedures
	Operational Evaluation	Client identification records FINTRAC reports Receipt of funds records
Risk Assessment	Document Evaluation	Risk assessment document <ul style="list-style-type: none"> <li>• Procedures/methodology of risk assessment</li> <li>• Procedures on enhanced due diligence for high risk clients</li> <li>• Documented risk assessment of organization</li> </ul>
	Operational Evaluation	High risk clients Application of enhanced due diligence Monitoring processes
Training Program	Document Evaluation	Ongoing training program Training materials
	Operational Evaluation	Training log Interviews with staff to test knowledge of AML

Included in Appendix N—Self-Review Checklist is a checklist against which an Accountant or Accounting Firm can evaluate their progress towards an effective compliance program.



## CHAPTER 4

# AML and Privacy Obligations

In Canada, Accountants and Accounting Firms have both AML and privacy obligations. One of the privacy principles is to “minimize collection.” This means Accountants and Accounting Firms must only collect personal information that you need.

The AML Legislation requires certain information to be collected by reporting entities and prescribes certain measures for “Know Your Client” (KYC) and “Customer Due Diligence” (CDD). These measures align with privacy principles as the information that is required is for KYC purposes.

### 4.1 Summary of KYC/CDD Requirements

KYC/CDD Requirements	Not Required for KYC/CDD
<ul style="list-style-type: none"> <li>Identification information (type of identification document, identification reference number, place of issue)</li> <li>Occupation information</li> <li>Date of birth</li> <li>Address</li> </ul>	<ul style="list-style-type: none"> <li>Copy of the identification document</li> <li>The inclusion of your client's Social Insurance Number in a report to FINTRAC</li> </ul>

### 4.2 Where AML and Privacy Get Complicated

The AML legislation requires that reporting entities apply a risk-based approach. This means that resources are allocated to areas of high risk in order to mitigate the risks. Based on the risk assessment that is required to be conducted and documented by all reporting entities, clients that have been identified as a high risk for money laundering or a terrorist financing offence should be subjected to enhanced due diligence (EDD) measures. However, the AML Legislation is not prescriptive when it comes to defining EDD measures.

### 4.3 What Does the AML Legislation Say About EDD Measures?

The AML Legislation requires enhanced measures be applied and prescribes certain measures that should be included as part of EDD. The Legislation also states that “any other enhanced measures” are to be applied to mitigate the risks. This allows reporting entities to apply their own controls, on top of the prescribed EDD.

### 4.4 What Is Required for EDD Measures?

When applying “other enhanced measures” for high risk clients, it is important that these measures be defined in the compliance policies and procedures and that these measures are clearly articulated with documented reasoning for collecting additional information.

### 4.5 What Information Should Be Documented?

1. Rationale—For collecting information that is in addition to the standard request.
2. Process—What information is to be collected for EDD, when EDD is to be applied, and when and how information is to be collected.

The Privacy Commissioner of Canada has issued two publications about privacy obligations and the PCMLTFA, a guide for point of service workers ([www.priv.gc.ca/information/pub/faqs\\_pcmltfa\\_02\\_e.asp](http://www.priv.gc.ca/information/pub/faqs_pcmltfa_02_e.asp)), and a questions and answers page ([www.priv.gc.ca/information/pub/faqs\\_pcmltfa\\_01\\_e.asp#001](http://www.priv.gc.ca/information/pub/faqs_pcmltfa_01_e.asp#001)).

*Important Notes: Remember that it is acceptable to let the client know that the information that you are asking for is required under the Proceeds of Crime (Money Laundering) and Terrorist Financing Act, unless disclosing this would tip off the client about a completed or attempted suspicious transaction report.*

## CHAPTER 5

# Interactions with Other Reporting Entities

There are several things to keep in mind when you are dealing with other reporting entities. All reporting entities, as defined in the AML Legislation, have specific AML obligations that are unique to their type of entity, as with Accountants and Accounting Firms. In the course of your interactions with other financial entities, when you are conducting services on behalf of your clients, you may be called upon to provide other information based on the activities of your clients.

Be aware that AML obligations require that reporting entities are adequately identifying their clients, understanding their clients' activities and are applying a risk based approach to their clients' activities. Information that may be requested will have to do with complying with these obligations.



## CHAPTER 6

# FINTRAC Examinations

The Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) is Canada's financial intelligence unit. It is an independent agency that was established to ensure compliance with the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (PCMLTFA). The PCMLTFA allows FINTRAC to conduct examinations on reporting entities.

The exam involves a review of records and inquiries into the business for the purpose of ensuring compliance with the AML Legislation.

### 6.1 FINTRAC's Powers

FINTRAC examinations are legislated under section 62(1) of the PCMLTFA. It specifically states that "An authorized person may, from time to time, examine the records and inquire into the business and affairs of any person or entity referred to in section 5 for the purposes of ensuring compliance with Part 1..."

This power includes allowing an authorized person to enter any premises where there are records related to the business and access any computer system to examine any data and to reproduce those records. Authorized persons would be FINTRAC Compliance Officers who have been authorized by the Director to ensuring compliance under the legislation. In section 62(2) of the PCMLTFA, it explicitly states that reasonable assistance shall be given to authorized persons.

### 6.2 How to Prepare

FINTRAC may select you or your firm to conduct a compliance exam. These exams are to ensure that you are complying with the PCMLTFA and its enacted Regulations. When you receive confirmation from FINTRAC that

they will be conducting an exam, there are a few points to keep in mind. The FINTRAC Compliance Officer will call and explain the process after notification of a compliance examination. A notification letter will be received shortly after the initial conversation outlining what documentation FINTRAC will require. Before receiving the letter, it is suggested that all compliance documentation be assembled and a review of past FINTRAC interactions be completed. The logistics of the examination should be finalized to ensure all documentation is assembled as quickly as possible and that sufficient staff is available to answer any regulator questions. A room should be set aside for FINTRAC staff if they are coming to the premises and a photocopier should be made available for their use. Here are some additional things to keep in mind if you are having a FINTRAC compliance examination:

- Be aware of the deadlines that are noted in the letter from FINTRAC.
- If uncertain of any process, do not hesitate to call the FINTRAC Officer conducting the exam.
- Provide all documents and transactions that are listed in the letter from FINTRAC.
- Answer all questions calmly and honestly. Have resources available on hand during the exam.

## 6.3 What to Expect

The following list provides a summary of the exam process that you can expect during the exam.

1. Notification of Exam: You will receive a call from FINTRAC notifying that they will be conducting a compliance exam. The call may include questions regarding your “Triggering Activities.”
2. Information Request: Following the call, FINTRAC will send a letter requesting specific information.

*Important Note: You have 30 days from the date of the letter to provide all the information to FINTRAC.*

3. Date of Exam: The letter will also indicate the date when they will be conducting the exam. This can be either via conference call or on-site.

4. Exam: During the exam, FINTRAC will be asking the Compliance Officer specific questions. These questions can range from the following about your organization:
  - general business information
  - compliance regime
  - AML policies and procedures
  - risk assessment
  - ongoing training program
  - effectiveness compliance review
  - receipt of funds transactions
5. Exit Interview: At the end of the exam, FINTRAC will summarize deficiencies that were noted from the exam. They will also mention that a letter summarizing the deficiencies will be sent to you. Any questions stemming from deficiencies should be asked at this time including obtaining suggestions on how best to remedy all deficiencies.

## 6.4 Follow Up

After FINTRAC's exam, you should expect to receive a letter from FINTRAC summarizing all deficiencies found during the exam. The language of the letter will clearly communicate the expectations that FINTRAC has from you in addition to any further actions being considered by FINTRAC. An action plan should be developed and implemented internally to rectify all deficiencies in a timely manner. At a later date, FINTRAC may decide to conduct a follow-up exam to ensure that you have addressed the deficiencies and have implemented your action plan. Therefore, it is important that you follow your action plan and that you document what has been done to address those deficiencies.

The consequences of non-compliance vary from minor such as the issuance of a findings letter asking for continued cooperation to the severe with the issuance of a monetary penalty and a public naming summarizing all areas of non-compliance. The penalty amounts can be quite severe and it is not uncommon to see penalties in the six figure range. When egregious non-compliance has been observed by FINTRAC, the findings letter will explicitly state that administrative monetary penalties (AMPs) are being considered. Regardless of the decision, FINTRAC will send additional correspondence notifying your organization of their final decision. Should no AMP be pursued, the letter will state that fact explicitly. However if, FINTRAC decides to pursue an AMP based on its analysis, a notice of violation will be issued to your organization.

If a notice of violation is received, your organization has several options available. Paying the penalty would close the proceedings and result in an admission of all violations from the non-compliance, and give FINTRAC the right to publically report the penalty in most cases. Another option is to appeal the penalty directly with FINTRAC's Director by providing explanations or arguments for any or all violations cited. This involves a secondary review of all violations to determine if any of the reasons within the appeal are reasonable. However, the request for a review must be in writing and submitted within 30 days of receiving the notice of violation. If this appeal is unsuccessful, a second appeal can be made to the Federal Court. It is prudent to obtain legal advice and professional AML assistance to help manage responses and appeals.

*Important Note: Always document your progress. Documentation is important when it comes to showing FINTRAC that you are complying with the AML Legislation and that you have addressed those deficiencies as stated in your action plan letter to FINTRAC.*

## 6.5 **Compliance Assessment Report**

All reporting entities, including Accountants and Accounting Firms, may be asked by FINTRAC to complete a compliance assessment report (CAR). The CAR is essentially a questionnaire which attempts to obtain a high level overview of your organization's operations and if applicable, current level of compliance. The first section of the questionnaire will ask questions related to your scale of operations including financial information. The next section will ask questions regarding Qualifying Activities to determine whether your organization is subject to the PCMLTFA. If the response to the Qualifying Activities questions is positive, the remainder of the questionnaire will be specific to your legislative obligations and whether a Compliance Regime has been developed and implemented. It is important to answer these questions truthfully as FINTRAC relies on this to populate their understanding of your organization and may contact your organization in the future to verify any information. If any part of the CAR is not fully understood, it is recommended that your organization contacts FINTRAC for clarification.

## CHAPTER 7

# Appendix A— Canada’s AML Legislation

### 7.1 Provenance

Canada is a founding member of the Financial Action Task Force (FATF), the international standard setting body for anti-money laundering and anti-terrorist financing activities. The objective of the FATF is to set standards and promote effective implementation of legal, regulatory and operational measures for combating money laundering, terrorist financing and other related threats to the integrity of the international financial system.

As a member of the FATF, Canada has made a political commitment to implement the FATF Recommendations that includes implementing measures to ensure that the financial institutions and intermediaries are adequately able to identify their customers; to understand their activities; and to conduct ongoing scrutiny of customers’ activities.

The PCMLTFA and its enacted Regulations sets out Canada’s AML regime whereby designated financial and non-financial entities that provide access to Canada’s financial system are obligated to comply with these standards.

### 7.2 Purpose

The objective of the PCMLTFA is to implement specific measures to detect and deter money laundering and the financing of terrorist activities and to facilitate the investigation and prosecution of money laundering offences and terrorist activity financing offences.

Canada's AML regime was developed to respond to the threat posed by organized crime by providing law enforcement officials with the resources they need and to assist Canada in fulfilling its international commitment in protecting the integrity of the international financial system.

## 7.3 Players

There are a wide range of players that are part of Canada's AML regime. They range from individuals to entities and from federal departments to international entities. Below is summary of the players:

Who has reporting requirements to FINTRAC?	<p>Reporting Entities:</p> <ul style="list-style-type: none"><li>• financial institutions</li><li>• life insurance companies and life insurance brokers or agents</li><li>• legal counsel and legal firms</li><li>• securities dealers</li><li>• money service businesses</li><li>• Accountants and Accounting Firms</li><li>• British Columbia notaries</li><li>• real estate brokers, sales representatives and developers</li><li>• dealers in precious metals and stones</li><li>• casinos</li></ul> <p>Entities that may also report:</p> <ul style="list-style-type: none"><li>• public</li><li>• federal agencies (e.g. Canada Border Services Agency, Canada Revenue Agency, Canadian Security Intelligence Service)</li><li>• foreign financial intelligence units</li></ul>
What is FINTRAC?	<p>All reporting entities have reporting requirements to FINTRAC.</p> <p>FINTRAC is Canada's financial intelligence unit and is responsible for the overall supervision of reporting entities to determine compliance with Canada's AML regime.</p> <p>FINTRAC reports to the Department of Finance and is overseen by the following departments:</p> <ul style="list-style-type: none"><li>• Office of the Privacy Commissioner of Canada</li><li>• Office of the Auditor General of Canada</li></ul>

<p>Who does FINTRAC share information with?</p>	<p>FINTRAC may disclose information if it has reasonable grounds to suspect that the information would be relevant to an investigation or prosecution of a money laundering or terrorist activity financing offence, or relevant to threats to the security of Canada.</p> <p>The following is a list of agencies FINTRAC may disclose information to:</p> <ul style="list-style-type: none"> <li>• law enforcement</li> <li>• Canadian Security Intelligence Service</li> <li>• Canada Revenue Agency</li> <li>• Canada Border Services Agency</li> <li>• foreign financial intelligence units</li> </ul>
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## 7.4 Penalties and Criminal Fines for Non-Compliance

FINTRAC has legislative authority to issue criminal and administrative penalties against the entity and other persons where non-compliance has been identified.

### Administrative Monetary Penalty (AMPs)

AMPs allow for a measured and proportionate response to particular instances of non-compliance. Violations are classified as follows:

Classification	Penalty
Minor	Carries maximum penalties up to \$1,000
Serious	Carries maximum penalties up to \$100,000
Very Serious	Carries maximum penalties up to \$500,000

Penalties are determined in relation to the degree at which the violation obstructs the ability to detect and deter money laundering and terrorist activities.

### Criminal Penalties

FINTRAC may disclose cases of non-compliance to law enforcement when there is excessive non-compliance or little expectation of immediate or future compliance. Criminal penalties include:

- Failure to report suspicious transactions: up to \$2 million and/or five years imprisonment.
- Failure to report a large cash transaction: up to \$500,000 for the first offence, and \$1 million for subsequent offences.
- Failure to meet record keeping requirements: up to \$500,000 and/or five years imprisonment.

- Failure to provide assistance or provide information during compliance investigation: up to \$500,000 and/or five years imprisonment.
- Disclosing a fact that a suspicious transaction report was made, or disclosing contents or the report, with the intent to prejudice a criminal investigation: up to two years imprisonment.

## CHAPTER 8

# Appendix B— Links to FINTRAC Guidance<sup>50</sup>

FINTRAC Guidelines for the accounting sector are divided into separate sections specific to the subject matter. The following Guidelines are applicable to Accountants and Accounting Firms:

Guideline 1—Backgrounder:

[www.fintrac-canafe.gc.ca/publications/guide/Guide1/1-eng.asp](http://www.fintrac-canafe.gc.ca/publications/guide/Guide1/1-eng.asp)

Guideline 2—Suspicious Transactions:

[www.fintrac-canafe.gc.ca/publications/guide/Guide2/2-eng.asp](http://www.fintrac-canafe.gc.ca/publications/guide/Guide2/2-eng.asp)

Guideline 3A—Submitting Suspicious Transaction Reports to FINTRAC Electronically:

[www.fintrac-canafe.gc.ca/publications/guide/Guide3A/str-eng.asp](http://www.fintrac-canafe.gc.ca/publications/guide/Guide3A/str-eng.asp)

Guideline 3B—Submitting Suspicious Transaction Reports to FINTRAC by Paper:

[www.fintrac-canafe.gc.ca/publications/guide/Guide3B/3b-eng.asp](http://www.fintrac-canafe.gc.ca/publications/guide/Guide3B/3b-eng.asp)

Guideline 4—Implementation of a Compliance Regime:

[www.fintrac-canafe.gc.ca/publications/guide/Guide4/4-eng.asp](http://www.fintrac-canafe.gc.ca/publications/guide/Guide4/4-eng.asp)

Guideline 5—Submitting Terrorist Property Reports:

[www.fintrac-canafe.gc.ca/publications/guide/Guide5/5-eng.asp](http://www.fintrac-canafe.gc.ca/publications/guide/Guide5/5-eng.asp)

Guideline 6—Record Keeping and Client Identification:

[www.fintrac-canafe.gc.ca/publications/guide/Guide6/6-eng.asp](http://www.fintrac-canafe.gc.ca/publications/guide/Guide6/6-eng.asp)

<sup>50</sup> Please note that the information on FINTRAC's website is subject to change and is not intended to replace the PCMLTFA and associated Regulations.

Guideline 7A—Submitting Large Cash Transaction Reports to FINTRAC Electronically:  
[www.fintrac-canafe.gc.ca/publications/guide/Guide7A/lctr-eng.asp](http://www.fintrac-canafe.gc.ca/publications/guide/Guide7A/lctr-eng.asp)

Guideline 7B—Submitting Large Cash Transaction Reports to FINTRAC by Paper:  
[www.fintrac-canafe.gc.ca/publications/guide/Guide7B/7b-eng.asp](http://www.fintrac-canafe.gc.ca/publications/guide/Guide7B/7b-eng.asp)

Please note that the Guidelines are periodically updated to reflect any changes in the legislation or any significant guidance that FINTRAC issues.

## CHAPTER 9

# Appendix C— Summary of Changes Effective February 1, 2014

Regulatory amendments known as SOR/2013-15 were published on January 31, 2013 in the *Canada Gazette* (<http://gazette.gc.ca/rp-pr/p2/2013/2013-02-13/html/sor-dors15-eng.html>) with an effective date of February 1, 2014. They have created new requirements for Accountants and Accounting Firms which have been incorporated into this guidance that include:

1. The requirement to recognize the establishment of a “business relationship” with clients for which a first Triggering Activity is performed following the effective date of the amendments, and to document the “purpose and intended nature of the business relationship.”
2. The requirement to conduct and document “ongoing monitoring” measures in respect of all business relationships established following the effective date of the amendments for the purpose of:
  - Detecting reportable transactions.
  - Keeping client identification up-to-date.
  - Re-assessing the level of risk associated with the client’s transactions and activities.
  - Determining if the transactions and activities are consistent with the information received from the client (including the “purpose and intended nature of the business relationship”).



## CHAPTER 10

# Appendix D – FINTRAC Interpretation Notice No. 2

Source: [www.fintrac-canafe.gc.ca/publications/FINS/2008-07-08-eng.asp](http://www.fintrac-canafe.gc.ca/publications/FINS/2008-07-08-eng.asp)

**NOTE:** As of November 1, 2013, the name of the Canadian Institute of Chartered Accountants (CICA) Handbook changed to the Chartered Professional Accountants of Canada (CPA Canada) Handbook.

The screenshot shows the official website for the Financial Transactions and Reports Analysis Centre of Canada (Fintrac). The header includes the Canadian flag, the organization's name in English and French, and a search bar. The main content area features a large red maple leaf graphic. The title of the document is "FINTRAC Interpretation Notice No. 2". Below the title, it says "July 8, 2008". A section titled "Accountants - Giving Instructions Versus Providing Advice" explains the purpose of the notice. It states that accountants are subject to certain requirements under the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (PCMLTFA) if they engage in specific activities on behalf of clients. These activities include receiving or paying funds, purchasing or selling securities, real estate property, business assets or entities, or transferring funds or securities by any means. The page also notes that accountants are subject to PCMLTFA requirements even if they carry out these activities on a volunteer basis. A note at the bottom specifies that audit, review or compilation engagements carried out according to the recommendations in the Canadian Institute of Chartered Accountants (CICA) Handbook are not subject to the PCMLTFA or its regulations.

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questions

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### Giving instructions versus providing advice

When you **give instructions** for any of the above-mentioned activities, it means that you actually direct the movement of funds. By contrast, when you **provide advice** to your clients, it means that you make recommendations or suggestions to them. Providing advice is not considered to be giving instructions.

**Example of giving instructions:** "Based on my client's instructions, I request that you transfer \$15,000 from my client's account, account number XXX, to account number YYY at Bank X in Country Z."

**Example of providing advice:** "For tax purposes, we recommend that you transfer your money into a certain investment vehicle."

For more information about the requirements applicable to accountants and accounting firms, see the series of guidelines prepared by FINTRAC.

Date Modified: 2011-09-20

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## CHAPTER 11

# Appendix E— FINTRAC Interpretation Notice No. 7

Source: [www.fintrac-canafe.gc.ca/publications/FINS/2011-02-17-eng.asp](http://www.fintrac-canafe.gc.ca/publications/FINS/2011-02-17-eng.asp)

The screenshot shows the FINTRAC website homepage. At the top, there is a navigation bar with links for "Français", "Home", "Contact Us", "Help", "Search", and "Canada.ca". Below the navigation bar, the main content area features a large banner with the text "Financial Transactions and Reports Analysis Centre of Canada" and the website address "www.fintrac-canafe.gc.ca". The banner also includes a red maple leaf graphic and a globe icon. The main title of the page is "FINTRAC Interpretation Notice no. 7". Below the title, the date "February 17, 2011" is displayed. The page content discusses "Insolvency Practitioners Providing Trustee in Bankruptcy Services" and "Insolvency practitioners who are accountants". There is also a section titled "Definition of accountants" which provides a detailed explanation of the term.

**Financial Transactions and Reports Analysis Centre of Canada**  
www.fintrac-canafe.gc.ca

**FINTRAC Interpretation Notice no. 7**

February 17, 2011

**Insolvency Practitioners Providing Trustee in Bankruptcy Services**

Paragraph 5(1) of the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (PCMLTFA) and subsections 34(1), sections 35 and 36 of the Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations.

The purpose of this notice is to clarify the application of the PCMLTFA relating to insolvency practitioners offering bankruptcy services.

Insolvency practitioners provide trustee in bankruptcy services. These services are not triggering activities for any obligations under the PCMLTFA. Trustees in bankruptcy services or insolvency practitioners are not covered as services or as an entity under our legislation. However, if you are an insolvency practitioner and you are an accountant or an accounting firm, you may have obligations relating to other activities.

**Insolvency practitioners who are accountants:**

If you are an individual accountant or an accounting firm offering trustee in bankruptcy services or acting as an insolvency practitioner, you may have obligations under the PCMLTFA if you engage in certain triggering activities other than bankruptcy services. However, as explained above, bankruptcy services you provide as an insolvency practitioner, including acting as a trustee in bankruptcy, do not fall within the triggering activities under our legislation.

**Definition of accountants**

An accountant means a chartered accountant, a certified general accountant or a certified management accountant. An accounting firm means an entity that provides accounting services to the public that has at least one partner, employee or administrator that is an accountant.

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In this context, if you are an insolvency practitioner, whether a chartered insolvency and restructuring professional or otherwise, you would not be considered to be "providing accounting services to the public" if you only provide such services as follows:

- As receiver, pursuant to the provisions of a Court order or by way of a private letter appointment pursuant to the terms of a security interest;
- As trustee in bankruptcy;
- As monitor under the provisions of the *Companies' Creditors Arrangement Act* or any other proceeding that results in the dissolution or restructuring of an enterprise or individual and to which the firm, individual or insolvency practitioner serves as an officer of the Court or agent to a creditor(s) or the debtor.

#### Triggering activities for accountants

If you are an accountant or an accounting firm, as explained above, you have obligations under the PCMLTFA if you engage in any of the following activities on behalf of any individual or entity (other than your employer) or give instructions in respect of those activities on behalf of any individual or entity (other than your employer):

- receiving or paying funds;
- purchasing or selling securities, real property or business assets or articles; or
- transferring funds or securities by any means.

In this context, an accountant or an accounting firm appointed by a Court, or acting as a trustee in bankruptcy, is not considered to be acting on behalf of any other individual or entity.

Obligations under the PCMLTFA, as referred to throughout this interpretation notice, include reporting, client identification, record keeping, and implementing a compliance regime. For more information about these, see FINTRAC's guidelines.

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## CHAPTER 12

# Appendix F – Sample Receipt of Funds Record

### RECEIPT OF FUNDS RECORD

The following information must be collected, retained and recorded for each prescribed transaction where the organization receives funds with a value of CAD 3,000 or more in any form from a client in respect of Triggering Activities.

#### INFORMATION ON THE INDIVIDUAL FROM WHOM YOU RECEIVED THE FUNDS

Last Name	First Name	
Street Address		Apartment/Unit #
City	Prov.	Postal Code
Date of Birth	Nature of Principal Business or Occupation	

#### TRANSACTION INFORMATION

Transaction Date	Amount	Currency	
Purpose, Details and Type of Transaction		Other Persons or Entities Involved	
If funds were received in cash, how the cash was received			

#### IF AN ACCOUNT WAS AFFECTED BY THE TRANSACTION

Account #	Type of Account
Accountholder's Full Name	
Currency of Transaction	

#### ENTITY INFORMATION, IF APPLICABLE

Name of Entity	Nature of Principal Business	
Street Address	Apartment/Unit #	
City	Prov.	Postal Code

If the receipt of funds record is about a corporation, you also need to keep a copy of the part of the official corporate records showing the provisions relating to the power to bind the corporation regarding the transaction.

## Instructions on completing the Receipt of Funds Record

Information on the person providing the funds should be included on this form and be as specific as possible. Specifically:

- The address should be their physical location and not a PO Box.
- The occupation should be as specific as possible and should avoid vague occupations such as “self-employed,” “consultant” and “import export.”
- The purpose of the transaction should explain the whole transaction such as “received funds from client to wire.”
- If the funds are in cash form, this should be explained using such wording as “in person” “mailed” or “courier.”
- The sections on accounts would be applicable if the funds were received in a form other than cash. For instance, if the client gave you a cheque, the account information related to that cheque should be recorded.
- The section on entity information would be applicable if the client is not an individual. In that case, information on the individual conducting the transaction on behalf of the entity and the information on the entity would both be required.

If the client is an entity that is incorporated, a copy of their record that binds them to the transaction needs to be kept.

## CHAPTER 13

# Appendix G— Identification of Individuals in Person: Method and Form

### 13.1 Requirements

A client's identification must be ascertained when any of the following occur as part of an engagement for which Triggering Activities have occurred.

- receipt of funds of \$3,000 or above
- large cash transaction
- suspicious transaction (completed or attempted)

When dealing with an entity, both the entity and the individual conducting the transaction on the entity's behalf must be identified.

### 13.2 Method

Face-to-face client identification means that you can physically meet the client and can refer to their identification document. For an identification document to be valid, it must include the following:

- Not be prohibited by provincial or territorial legislation for identification purposes.
- Must have a unique identifier number.
- Must have been issued by a provincial, territorial or federal government.
- Cannot have been expired.
- Must be an original and not a copy of the document.

Some examples of identification documents that FINTRAC has provided include:

- Insurance Corporation of British Columbia
- Alberta Registries
- Saskatchewan Government Insurance
- Department of Service Nova Scotia and Municipal Relations
- Department of Transportation and Public Works of the Province of Prince Edward Island
- Service New Brunswick
- Department of Government Services and Lands of the Province of Newfoundland and Labrador
- Department of Transportation of the Northwest Territories
- Department of Community Government and Transportation of the Territory of Nunavut

**What information needs to be collected when referring to the identification document?**

When you refer to a client's identification document, you must keep a record of the following information:

- The type of identification document.
- The reference number on the identification document.
- The place of issue of the identification document.

You do not need to take a copy of the identification document, as long as you keep the required information about the identification document.

## 13.3 Form

Collect the following information for each individual (personal) client or for individuals who can authorize a transaction on behalf of the entity.

Acceptable identification must be an original (not a copy), valid (not expired), bear a unique reference number and be issued by a provincial, federal or similar government.

The name and address information here must match the identification documents and the address must be a physical address and not a PO Box or general delivery address.

Last Name	First	
Home Address		Apartment/Unit #
City	Prov.	Postal Code
Date of Birth	Occupation	
ID Type	<input type="checkbox"/> Driver's License <input type="checkbox"/> Passport <input type="checkbox"/> Other (Specify)	
ID number		Place of issue (Province or Country)
<b>EXAMPLES OF ACCEPTABLE IDENTIFICATION DOCUMENTS</b>		
<ul style="list-style-type: none"><li>• Insurance Corporation of British Columbia</li><li>• Alberta Registries</li><li>• Saskatchewan Government Insurance</li><li>• Department of Service Nova Scotia and Municipal Relations</li><li>• Department of Transportation and Public Works of the Province of Prince Edward Island</li><li>• Service New Brunswick</li><li>• Department of Government Services and Lands of the Province of Newfoundland and Labrador</li><li>• Department of Transportation of the Northwest Territories</li><li>• Department of Community Government and Transportation of the Territory of Nunavut</li></ul>		



## CHAPTER 14

# Appendix H— Identification of Individuals Non-Face-to-Face: Methods

### 14.1 Requirements

A client's identification must be ascertained when any of the following occur as part of an engagement for which Triggering Activities have occurred.

- receipt of funds of \$3,000 or above
- large cash transaction
- suspicious transaction (completed or attempted)

When dealing with an entity, both the entity and the individual conducting the transaction on the entity's behalf must be identified.

### 14.2 Methods

If you are unable to identify a client face-to-face, there are prescribed non-face-to-face methods that can be used. Non-face-to-face identification involves a combination method that gives you the option of selecting two of the following five options.

1. Identification Product Method: Refer to an independent and reliable identification product that is based on personal information and Canadian credit history about the individual of at least six months duration.
2. Credit File Method: With the individual's permission, refer to a credit file. The credit file must have been in existence for at least six months.

3. Attestation Method: Obtain an attestation that an original identification document for the individual has been seen by a commissioner of oaths or a guarantor.
4. Cleared Cheque Method: Confirm that a cheque drawn on a deposit account that the individual has with a financial entity has cleared.
5. Deposit Account Method: Confirm that the individual has a deposit account with a financial entity. This requirement would be specific to an account held with a Canadian financial institution and it must be a deposit account (e.g., a chequing or savings account and not a credit card account). To confirm that a client has a deposit account, you can either receive confirmation from the financial institution or ask your client for a copy of their deposit account statement (paper or electronic versions are both acceptable).

The AML Legislation restricts the type of combinations that you can use depending on the options. The following is a list of combinations that can be used for non-face-to-face client identification:

- identification product and attestation
- identification product and cleared cheque
- identification product and confirmation of deposit account
- credit file and attestation
- credit file and cleared cheque
- credit file and confirmation of deposit account
- attestation and cleared cheque

## CHAPTER 15

# Appendix I— Identification of Individuals by Third Parties: Methods

### 15.1 Requirements

A client's identification must be ascertained when any of the following occur as part of an engagement for which Triggering Activities have occurred.

- receipt of funds of \$3,000 or above
- large cash transaction
- suspicious transaction (completed or attempted)

When dealing with an entity, both the entity and the individual conducting the transaction on the entity's behalf must be identified.

### 15.2 Methods

You can also rely on an agent or mandatary (a person engaged to perform a mandate on your behalf) to conduct client identification for you using the face-to-face method. This requires that you have in place a written agreement with the agent or mandatary that sets out what you expect from them and that you obtain from them the client identification information prior to the performance of the identification function. It is recommended that the effective date of the agreement and the signature of the agent/mandatary and the Accountant or Accounting Firm also be included on the agreement. An agent or mandatary can be any individual or entity.

An agent/mandatary agreement should explicitly state that the agreement is for the purpose of ascertaining client identification on behalf of the Accountant or Accounting Firm under the obligations of the PCMLTFA. It should also describe what will be done to confirm the identification (e.g., original ID will be reviewed and compared to the client to confirm that it is the person in question). It should also obligate the agent/mandatary to remit to the Accountant or Accounting Firm details collected in respect of each identification conducted.

When an agent/mandatary ascertains the client's identification under the agreement, a record should document the client's personal information including their name, address, occupation and date of birth, and details of the identification include the identification type, reference number and place of issue. The form included in Appendix G—Identification of Individuals in Person: Method and Form can be adapted for that purpose.

## CHAPTER 16

# Appendix J— Confirming the Existence of an Entity

### 16.1 Requirements

A client's identification must be ascertained when any of the following occur as part of an engagement for which Triggering Activities have occurred.

- receipt of funds of \$3,000 or above
- large cash transaction
- suspicious transaction (completed or attempted)

When dealing with an entity, both the entity and the individual conducting the transaction on the entity's behalf must be identified.

### 16.2 Method

Where you are required to identify an entity, you must identify that entity within 30 days of the transaction associated to the record. Identifying an entity involves the following:

1. Confirming the existence of the entity.
2. For entities that are corporations
  - a. obtain the corporation's name, address
  - b. the names of its directors

To confirm the existence of the entity, you can refer to following documents:

- partnership agreement
- articles of association
- business registration
- trust agreement

To confirm the existence of a corporation, and the corporation's name and address, you can refer to the following documents:

- corporation's certificate status
- record that has to be filed annually under provincial securities legislation
- letter or notice of assessment for the corporation from a municipal, provincial, territorial or federal government
- corporation's published annual report signed by an independent audit firm

If you received funds from an entity, you must obtain and keep a copy of the official corporate records that contains any provisions relating to the power to bind the corporation.

## 16.3 Form

ENTITY INFORMATION		
Name of Entity		
Street Address		Apartment/Unit #
City	Prov.	Postal Code
Country		
Principal Business		
Names of Directors (if entity is a corporation)		
COPY OF RECORD CONFIRMING EXISTENCE OF ENTITY		
To confirm the existence of a Corporation, refer to the articles of incorporation, certification of corporate status, published annual report or government notice of assessment.		
To confirm the existence of an entity that is not a corporation, refer to partnership agreement, articles of association or applicable documentation that confirms the formation/existence of the entity.		
If record is paper format, a copy must be kept. If electronic version, a record of the entity's registration number and type and source of record must be indicated on this form.		
If you received funds from an entity, you must obtain and keep a copy of the official corporate records that contains any provisions relating to the power to bind the corporation.		
Type of entity		
Type of verification record		
Source of verification record		
Registration number of entity		

**CHAPTER 17**

# Appendix K— Large Cash Transaction Report Form

This form is reproduced with permission from the Financial Transactions and Reports Analysis Centre of Canada and was up-to-date at the time of printing. As this form may change, we recommend you check the website to ensure you are using the latest version.

Source: [www.fintrac-canafe.gc.ca/publications/LCTR-2008-eng.pdf](http://www.fintrac-canafe.gc.ca/publications/LCTR-2008-eng.pdf)

Financial Transactions and  
Reports Analysis Centre of CanadaCentre d'analyse des opérations  
et déclarations financières du Canada

## Large Cash Transaction Report

### 24-hour rule

Is this report about a transaction of **less than \$10,000** that is part of a group of two or more such cash transactions made **within 24 consecutive hours** of each other that **total \$10,000 or more?**

**NO**

Include each large cash transaction in a separate report.

**YES**

Include each transaction that is part of a 24-hour rule group in the same large cash transaction report, unless they were conducted at different locations.

If you have the capability to report electronically, DO NOT use this paper form.  
Refer to the reporting section of FINTRAC's Web site — <http://www.fintrac-canafe.gc.ca>

Use this form if you are a reporting entity and you have to report a large cash transaction to FINTRAC. A large cash transaction is the receipt of an amount of \$10,000 or more in cash in the course of a single transaction. A large cash transaction also includes the receipt of two or more cash amounts of less than \$10,000 made by or on behalf of the same individual or entity within 24 consecutive hours of each other that total \$10,000 or more.

For more information about this or about who is considered a reporting entity and for instructions on how to complete this form, see *Guideline 7B: Submitting Large Cash Transaction Reports to FINTRAC by Paper* or call FINTRAC's toll-free enquiries line at 1-866-346-8722.

Send completed form by mail: FINTRAC, Section A, 234 Laurier Avenue West, 24th Floor, Ottawa, Ontario K1P 1H7  
or send completed form by fax: 1-866-226-2346

Is this Report a correction to a Report previously submitted?

**NO**

**YES**

- Enter the original Report's Date and Time
- Date **2 | 0 |** MONTH **|** DAY **|** Time **1 | 2 |** HOUR **|** MINUTE
- COMPLETE PART A – whether the information has changed or not
- Provide the new information ONLY for the affected fields in Part B through Part G
- If removing information from a field, strike a line through the field

**REPORTING DATE** **2 | 0 |** MONTH **|** DAY **|**

**TIME** **1 | 2 |** HOUR **|** MINUTE

All fields of the report marked with an asterisk (\*) must be completed. The ones that are also marked "if applicable" must be completed if they are applicable to you or the transaction being reported.  
For all other fields, you have to make reasonable efforts to get the information.

### PART A — Information about where the transaction took place

1. Reporting entity's identifier number\* (if applicable)

2. Reporting entity's full name\*

Where did the transaction take place?

3. Street address\*

4. City\*

5. Province\*

6. Postal code\*

Whom can FINTRAC contact about this report?

6A. Reporting entity report reference number

7. Contact – Surname\*

8. Contact – Given name\*

9. Contact – Initial/Other

10. Contact – Telephone number (with area code)\*

10A. Contact – Telephone extension number

11. Which one of the following types of reporting entities best describes you?\*

- |  |   |   |  |
|--|---|---|--|
| <input type="checkbox"/> Accountant              | <input type="checkbox"/> Casino               | <input type="checkbox"/> Dealer in Precious Metals and Stones | <input type="checkbox"/> Provincial Savings Office |
| <input type="checkbox"/> Bank                    | <input type="checkbox"/> Co-op Credit Society | <input type="checkbox"/> Life Insurance Broker or Agent       | <input type="checkbox"/> Real Estate               |
| <input type="checkbox"/> British Columbia Notary | <input type="checkbox"/> Credit Union         | <input type="checkbox"/> Life Insurance Company               | <input type="checkbox"/> Securities Dealer         |
| <input type="checkbox"/> Caisse Populaire        | <input type="checkbox"/> Crown Agent          | <input type="checkbox"/> Money Services Business              | <input type="checkbox"/> Trust and/or Loan Company |
- (Sells/Redeems Money Orders)

Revised December 2008



Canada

**NOTE: Please copy this page for each additional, related, large cash transaction (if required).**

**PART B1 — Information about how the transaction was initiated**

Transaction  of

1. Date of the transaction \*  YEAR  MONTH  DAY

2. Time of the transaction  HOUR  MINUTES  SECONDS

4. Date of posting (if different from date of transaction)  YEAR  MONTH  DAY

*or*

3. Night deposit indicator \*  If the transaction was **not** a night drop, leave this box empty.

3A. Quick drop indicator  If the transaction was **not** a quick drop, leave this box empty.

5. Amount of transaction \*

6. Transaction currency code \* — Enter CAD if Canadian dollars or USD for United States dollars. If another type of currency is involved, see Appendix 1 in *Guideline 3B: Submitting Suspicious Transaction Reports to FINTRAC by Paper*.

7. How was the transaction conducted? \*  Armoured car  Courier  Night deposit  Other  DESCRIPTION (OTHER)  
 Automated banking machine  In-branch/Office/Store  Quick drop  
 Mail deposit  Telephone

→

Large Cash Transaction Report

**NOTE: Please copy this page for each additional, related, disposition (per transaction) (if required).**

Transaction  Disposition  of

**PART B2 — Information about how the transaction was completed**

Indicate whether this transaction was conducted on behalf of anyone other than the individual who conducted it. If not, indicate "not applicable."

**On behalf of:**  **not applicable**  **an entity (other than an individual)**  **another individual**  **employee depositing cash to employer's business account**  
 (also complete PART F) (also complete PART G)

8. Disposition of funds \*

- |  |  |  |   |
|--|--|--|---|
| <input type="checkbox"/> <b>Cash out</b>                               | <input type="checkbox"/> <b>Outgoing electronic funds transfer</b> | <input type="checkbox"/> <b>Purchase of jewellery</b>                            | <input type="checkbox"/> <b>Purchase of traveller's cheques</b>                               |
| <input type="checkbox"/> <b>Conducted currency exchange</b>            | <input type="checkbox"/> <b>Purchase of bank draft</b>             | <input type="checkbox"/> <b>Purchase of money order</b>                          | <input type="checkbox"/> <b>Real estate purchase/deposit</b>                                  |
| <input type="checkbox"/> <b>Deposit to an account</b>                  | <input type="checkbox"/> <b>Purchase of casino chips</b>           | <input type="checkbox"/> <b>Purchase of precious metals</b>                      | <input type="checkbox"/> <b>Securities purchase/deposit</b>                                   |
| <input type="checkbox"/> <b>Life insurance policy purchase/deposit</b> | <input type="checkbox"/> <b>Purchase of diamonds</b>               | <input type="checkbox"/> <b>Purchase of precious stones (excluding diamonds)</b> | <input type="checkbox"/> <b>Other</b> <input type="text"/> <small>DESCRIPTION (OTHER)</small> |

POLICY NUMBER

9. Amount of disposition \*

Enter CAD if Canadian dollars or USD for United States dollars. If another type of currency is involved, see Appendix 1 in *Guideline 3B: Submitting Suspicious Transaction Reports to FINTRAC by Paper*.

**Additional information about the funds described in field 8 above**

11. Other institution name and number or other entity or person name \* (if applicable)

12. Other entity or person account number or policy number \* (if applicable)



**NOTE: Please copy this page for each additional disposition (if applicable).**

**PART C — Account information, if the transaction involved an account**

Transaction  Disposition

Complete this Part ONLY if the transaction involved an account.

1. Branch or transit number where the account is held\* (if this part is applicable)

\_\_\_\_\_

2. Account number\* (if this part is applicable)

\_\_\_\_\_

3. Type of account\* (if this part is applicable)

Personal

Business

Trust

Other

DESCRIPTION (OTHER)

4. Account currency code\* (if this part is applicable) — Enter CAD if Canadian dollars or USD for United States dollars. If another type of currency is involved, see Appendix 1 in *Guideline 3B: Submitting Suspicious Transaction Reports to FINTRAC by Paper*.

\_\_\_\_\_

5. Full name of each account holder (the individual(s) or the entity that hold the account)\* (if this part is applicable)

1 \_\_\_\_\_

2 \_\_\_\_\_

3 \_\_\_\_\_



**NOTE: Please copy this page for each additional transaction (if applicable).**

## Transaction

**PART D — Information about the individual conducting the transaction if it is not a deposit into a business account (if applicable)**

If the transaction is reportable as one of multiple cash transactions of less than \$10,000 each and, because of this, information for any mandatory fields in this part was not obtained at the time of the transaction (and is not available from your records), you can leave those fields blank.

1. Surname\* (if this part is applicable)

2. Given name\* (if this part is applicable)

### 3. Other/Initial

4. Client number assigned by reporting entity \* (if applicable and if this part is applicable)

5. Statement of \* (Self-Statement Form)

6-24 \* (Mathematics)

3. City (in this part is applicable)

8. Country\* (if this part is applicable)

\_\_\_\_\_

**10. Country of residence**

\_\_\_\_\_

Birth certificate     Driver's licence     Passport     Provincial health card     Record of landing / Permanent resident card  
 Other \_\_\_\_\_

13. ID number (from question 12) \* (if this part is applicable)

44. Please list the following:  
\* (check one) \_\_\_\_\_

15. Place of issue – Country\* (if this part is applicable)

17. Individual's occupation\* (if this part is applicable)

18A Telephone extension number



**NOTE: Please copy this page for each additional transaction (if applicable).**

**Transaction**

**PART E — Information about the individual conducting the transaction if it is a deposit into a business account —  
other than a night deposit or quick drop (if applicable)**

If the transaction is reportable as one of multiple cash transactions of less than \$10,000 each and, because of this, information for any mandatory fields in this part was not obtained at the time of the transaction (and is not available from your records), you can leave those fields blank.

1. Surname \* (if this part is applicable)

---

2. Given name \* (if this part is applicable)

---

3. Other/Initial

---



**NOTE: Please copy this page for each additional disposition (if required).**

**Transaction  Disposition**

**PART F — Information about the entity on whose behalf the transaction was conducted (if applicable)**

If the transaction is reportable as one of multiple cash transactions of less than \$10,000 each and, because of this, information for any mandatory fields in this part was not obtained at the time of the transaction (and is not available from your records), you can leave those fields blank.

1. Name of corporation, trust or other entity\* (if this part is applicable)

\_\_\_\_\_

2. Type of business\* (if this part is applicable)

\_\_\_\_\_

3. Street address\* (if this part is applicable)

\_\_\_\_\_

4. City\* (if this part is applicable)

\_\_\_\_\_

5. Province or state\* (if this part is applicable)

\_\_\_\_\_

6. Country\* (if this part is applicable)

\_\_\_\_\_

7. Postal or Zip code\* (if this part is applicable)

\_\_\_\_\_

8. Business telephone number (with area code)

\_\_\_\_\_

8A. Telephone extension number

\_\_\_\_\_

9. Incorporation number\* (if applicable and if this part is applicable)

\_\_\_\_\_

10. Place of issue – Province or State\* (if applicable and if this part is applicable)

\_\_\_\_\_

11. Place of issue – Country\* (if applicable and if this part is applicable)

\_\_\_\_\_

12. Individual(s) authorized to bind the entity or act with respect to the account (up to three)

1

2

3

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_



**NOTE: Please copy this page for each additional disposition (if required).**

Transaction  Disposition

**PART G — Information about the individual on whose behalf the transaction was conducted (if applicable)**

If the transaction is reportable as one of multiple cash transactions of less than \$10,000 each and, because of this, information for any mandatory fields in this part was not obtained at the time of the transaction (and is not available from your records), you can leave those fields blank.

1. Surname \* (if this part is applicable)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2. Given name \* (if this part is applicable)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. Other/Initial

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

4. Street address \* (if this part is applicable)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

5. City \* (if this part is applicable)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

6. Province or State \* (if this part is applicable)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

7. Country \* (if this part is applicable)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

8. Postal or Zip code \* (if this part is applicable)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

9. Home telephone number (with area code)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

10. Business telephone number (with area code)

10A. Telephone extension number

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

11. Individual's date of birth

YEAR      MONTH      DAY  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

12. Individual's identifier

Birth certificate     Driver's licence     Passport     Provincial health card     Record of landing / Permanent resident card  
 Other    DESCRIPTION (OTHER) \_\_\_\_\_

13. ID number (from question 12)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

14. Country of residence

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

15. Place of issue of individual's identifier – Province or State

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

16. Place of issue of individual's identifier – Country

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

17. Individual's occupation

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Relationship**

18. Relationship of the individual named in Part D or Part E to the individual named above (fields 1 to 3)

Accountant     Borrower     Customer     Friend     Relative  
 Agent     Broker     Employee     Legal counsel     Other    DESCRIPTION (OTHER) \_\_\_\_\_

The information on this form is collected under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (the Act). It will be used for analytical purposes and may also be used for the purposes of ensuring compliance with the Act. Any personal information is protected under the provisions of the *Privacy Act*. For more information, consult the Financial Transactions and Reports Analysis Centre of Canada chapter in the *Sources of Federal Government Information* publication, available on the Government of Canada Info Source Web site (<http://www.infosource.gc.ca>).

Source: [www.fintrac-canafe.gc.ca/publications/guide/Guide7B/7b-eng.asp#s441](http://www.fintrac-canafe.gc.ca/publications/guide/Guide7B/7b-eng.asp#s441)

## 5. Instructions for Completing a Large Cash Transaction Report

The fields in this section correspond with the paper form called the Large Cash Transaction Report. As explained in section 3.4, completing a paper report is only permitted if you do not have the capability to report electronically.

Fields in reports are either mandatory, mandatory where applicable, or require "reasonable efforts" to complete, as follows:

- **Mandatory:** All fields of a report marked with an asterisk (\*) **have to be completed**.
- **Mandatory where applicable:** The fields that have both an asterisk and "where applicable" next to them have to be completed if they are applicable to you or the transaction being reported.
- **Reasonable efforts:** For all other fields that do not have an asterisk, you have to make reasonable efforts to get the information. "Reasonable efforts" means that you tried to get the information requested on the report. If the information is available to you, you must provide it in the report. If the information was not available at the time of the transaction, and it is not contained in your files or records, the field may be left blank.

In certain circumstances, only as directed in the instructions for certain fields, if you need to indicate that a required field in a report is not applicable, enter "N/A" or "n/a". Do not substitute any other abbreviations, special characters (e.g., "X", "-" or "\*\*\*") or words (e.g., unknown).

As explained in subsection 3.1, a large cash transaction report can be about multiple transactions of less than \$10,000 each conducted within 24 consecutive hours of each other that add up to \$10,000 or more. Because those individual transactions were under \$10,000, the information for some mandatory fields in the report may not be available in your records or from the time of the transaction. In this case, "reasonable efforts" applies to those otherwise mandatory fields.

There are eight parts to the large cash transaction report, but some are only to be completed if applicable. To report a large cash transaction follow the following four steps:

- Step 1 - Complete Part A to provide information about the reporting entity and about where the transaction took place.
- Step 2 - Complete Part B1 to provide details about the transaction. If you have to include more than one transaction in your report (for cash transactions of less than \$10,000 each made within 24 consecutive hours of each other that total \$10,000 or more), repeat steps 2, 3 and 4 for each one.

If the transaction was a night deposit or a quick drop to a business account, make sure to indicate this in field B3.

- Step 3 - Complete Part B2 to provide details about the transaction's disposition. If the transaction's disposition was related to an account, also complete Part C. If the transaction's disposition was on behalf of a corporation or other entity (other than an employee depositing cash into his or her employer's business account), also complete Part F. If the transaction's disposition was on behalf of an individual (other than an employee depositing cash into his or her employer's business account), complete Part G.

If there was more than one disposition for the transaction, repeat this step for each disposition.

- Step 4 - Complete Part D or E to provide information about the individual conducting the transaction, depending on whether or not the transaction's disposition was a deposit to a business account. If the transaction had no other dispositions than deposits to a business account, complete Part E. If the transaction involved a disposition that was **not** a deposit to a business account, complete Part D. However, if the transaction was a night deposit or a quick drop to a business account, **neither** Part D nor Part E is required.

The rest of this section will cover each part of the Large Cash Transaction Report form.

When completing the paper form, enter the date and time when you begin completing it at the top of the form. If you have to file a correction to a report on paper, follow the instructions on the first page of the form. If you need to get a paper form, see [section 4](#).

### 24-hour rule

If this report is about one transaction of \$10,000 or more, answer **no** to the 24-hour-rule question. In this case, your report should only include one transaction.

If this report is about a transaction that is part of a group of two or more cash transactions of less than \$10,000 each made within 24 consecutive hours of each other that total \$10,000 or more, answer **yes** to the 24-hour-rule question. Include each such transaction in the same large cash transaction report, unless they were not all conducted at the same location. If the transactions in such a group were conducted at different locations, separate large cash transaction reports would be required to group them for each location.

**Part A: Information about where the transaction took place**

This part is for information about the reporting entity required to report the transaction to FINTRAC. It is also for information about the physical location where the transaction took place.

If you need more information about what type of individual or entity is a reporting entity, see section 2 of this guideline.

If you have multiple branch or office locations, the information in this part should refer to the branch or office location where the transaction took place. Transactions that happened at different branch or office locations should be reported on separate reports.

Some reporting entities have contractual arrangements with someone outside their entity to conduct transactions on their behalf. For example, a money services business arranges for transactions, such as electronic funds transfers, to be conducted for them at a grocery store. If you have this type of arrangement, as the reporting entity, your name belongs in Part A. However, since the transaction was conducted at someone else's place of business, it is that address that must appear in Part A.

**Field A1\* Reporting entity's identifier number (if applicable)**

This is the institution or licence number, or other identification number for the reporting entity, as outlined below. If you are a reporting entity that has multiple branch or office locations, the identification number should refer to the branch or office where the transaction took place.

- If you are an **accountant**, enter your provincial chartered accountant (CA), provincial certified management accountant (CMA), or provincial certified general accountant (CGA) number.
- If you are a **bank, caisse populaire, cooperative credit society or credit union**, enter your financial institution number issued by the Canadian Payments Association (CPA).
- If you are an **agent of the Crown that sells or redeems money orders**, enter your post office or similar number.
- If you are a **life insurance broker or agent**, enter your provincial broker or agent licence number.
- If you are a **federally regulated life insurance company**, enter your Office of the Superintendent of Financial Institutions (OSFI) Institution Code.
- If you are a **life insurance company that is not federally regulated**, enter your provincial licence number.
- If you are a **provincial savings office**, enter your financial institution number issued by the CPA.
- If you are a **real estate broker or sales representative**, enter your provincial broker number.
- If you are a **securities dealer**, enter your provincial dealer licence number.
- If you are a **trust and loan company**, enter your financial institution number issued by the CPA.
- If you are a **provincial trust and loan** that is not a member of the CPA, enter your registration number.
- If you are a **money services business**, enter your money services business registration number issued by FINTRAC.
- If you are a **dealer in precious metals and stones**, leave this field blank.
- If you are a **British Columbia public notary**, enter your membership number. If you are a **notary corporation of British Columbia**, enter your permit number.
- If you are a **real estate developer**, enter your provincial licence number if you have one. Otherwise, leave this field blank.

**Field A2\* Reporting entity's full name**

Enter the full legal name of the business or corporation that is the reporting entity. If you are a reporting entity that does not have a business name (for example, you are a reporting entity that is an individual), enter your full name.

**Fields A3\* to A6\* Reporting entity's full address**

Enter the civic address, town or city, province and postal code where the transaction took place. If you have more than one location, this information should refer to where the transaction took place. As explained above, transactions that happened at different branch or office locations should be reported on separate reports.

**Field A6A Reporting entity report reference number**

If you use a reference number for your own internal purposes, you can enter it in your report to FINTRAC. This field can contain up to 20 alpha or numeric characters and must be unique for each of your reporting entity's reports.

If you do not wish to use such an internal reference number, leave this field empty.

**Fields A7\*, A8\* and A9 Contact name**

Enter the name of the individual FINTRAC can contact for clarification about this report.

**Field A10\* Contact telephone number**

Enter the telephone number, including the area code, of the individual FINTRAC can contact for clarification. Include the extension, if applicable, in field A10A.

**Field A11\* Which one of the following types of reporting entities best describes you?**

Enter the type of activity applicable to you. If you are involved in more than one activity type, indicate the one applicable to the transaction being reported. If there is more than one activity for one or more transactions on the report, check only one box to indicate your principal type of activity.

**Part B1: Information about how the transaction was initiated**

This part is for information about how the transaction was initiated (i.e., where the money came from).

You should make separate large cash transaction reports for each single transaction of \$10,000 or more.

If you are reporting two or more cash transactions of less than \$10,000 each made by or on behalf of the same individual within 24 consecutive hours of each other that total \$10,000 or more, you should group those in the same report. If the information in Part A is different for any of those multiple transactions, however, you will have to send separate reports to group them by location.

When you need to report more than one transaction, complete a separate Part B1 for each transaction. To do this, you can copy Part B1. Fill in the "Transaction \_\_\_ of \_\_\_" area at the top of Part B1 to distinguish between each transaction. When you provide the details of the transaction in Part D or E, the details of disposition in Part B2, as well as the additional details of disposition in Parts C, F and G, as applicable, indicate to which transaction that information applies.

**Fields B1\*, B2 and B3\* When the transaction took place**

Enter the date (yyyy-mm-dd) and time (hh:mm:ss) of the large cash transaction. Use a 24-hour format for time. For example, enter "15:30:00" to represent 3:30 p.m.

The time of the transaction (field B2) can be left blank if it is not available from the moment of the transaction or in your records.

The date of transaction (field B1) is mandatory. However, if the transaction was a night deposit, and you do not provide the date, you can leave field B1 blank. In this case, make sure to use the night deposit indicator at field B3 and make sure to provide the date of posting in field B4.

If the transaction was either a **night deposit** or a **quick drop** to a business account, make sure to select the appropriate indicator at field B3. In this case, neither of Parts D, E, F or G will apply to the transaction.

**Field B4 Date of posting**

Enter the date (yyyy-mm-dd) the transaction cleared, if this differs from the date of the transaction provided in field B1. In the case of a night deposit, if you do not provide the date of transaction at field B1, you must provide the date of posting for the transaction in field B4.

**Field B5\* Amount of transaction**

Enter the total amount of cash involved in the transaction. This is the total cash amount received to start the transaction. What happens as a result of that cash amount will be explained in Part B2 as one or more dispositions.

If this cash was not in Canadian funds, you do not have to convert it, but you have to provide the currency information in field B6.

**Field B6\* Transaction currency code**

Enter the code for the type of currency for the transaction. Enter CAD if Canadian dollars, or USD for United States dollars. If the transaction was in another type of currency, see the list of currency codes in Appendix 1 in Guideline 3B: Submitting Suspicious Transaction Reports to FINTRAC by Paper.

**Field B7\* How was the transaction conducted?**

Check the appropriate box to indicate how the transaction was conducted. For example, if the transaction was done through an automated banking machine, check that box. If the selections provided do not cover this particular transaction, indicate "Other" and provide details in the field provided.

**Part B2: How the transaction was completed**

This part is for information about how the transaction was completed (i.e., where the money went).

**"On behalf of" indicator**

At the top of Part B2, you have to indicate whether the individual who conducted the transaction was doing so on anyone else's behalf. You have to select one of the following for this entry:

**\* Not applicable**

This means that **neither** Part F nor Part G applies to this report. "Not applicable" indicates that none of the other "On behalf of" selections is applicable to the transaction. For example, the disposition was not on anyone else's behalf (i.e., it was on behalf of the individual that conducted it).

**• On behalf of an entity**

This indicates that the disposition was on behalf of an entity, such as a business, a partnership, a corporation, a trust or other entity, but was **not** an employee depositing cash to his or her employer's business account. For a transaction that was conducted on behalf of an entity, complete Part F for this report to provide the information about that entity.

**• On behalf of another individual**

This indicates that the disposition was on behalf of another individual but was **not** an employee depositing cash to his or her employer's business account. For a transaction that was conducted on behalf of another individual, complete Part G to provide the information about that other individual.

**• Employee depositing cash to employer's business account**

This indicates that the disposition was an employee depositing cash to his or her employer's **business** account. If it was an employee depositing cash to his or her employer's business account, **neither** Part F nor Part G of this report applies. Do not use this indicator if the employee deposited other than cash or if the employer's account was other than a business account.

Unless the transaction was a night deposit or a quick drop, you have to provide information about the individual conducting the transaction in Part D or Part E. If the transaction had no other dispositions than a deposit to a business account, complete Part E. If the transaction involved a disposition that was **not** a deposit to a business account, complete Part D. If the transaction was a night deposit or a quick drop, neither of Parts D, E, F or G applies.

**More than one disposition**

There could be more than one disposition for a particular transaction. For example, your client could initiate a transaction in cash, send an electronic funds transfer (EFT) for part of it (disposition 1), order a bank draft for another part (disposition 2) and deposit the rest (disposition 3). In that case, make sure you include the information for each disposition. If you are including more than one transaction in this report (for cash transactions of less than \$10,000 each made within 24 consecutive hours of each other that total \$10,000 or more), you have to complete Part B2 for all dispositions for each transaction.

If you have to include more than one disposition, complete a separate Part B2 for each one. To do this, you can copy Part B2. Fill in the "Transaction \_\_\_\_ Disposition \_\_\_\_ of \_\_\_\_" area at the top of Part B2 to distinguish between each disposition. If you have to include more than one transaction in this report, indicate to which transaction the disposition information applies, based on the number you assigned the transaction in Part B1. When you provide the details of disposition in Parts C, F and G, as applicable, also indicate to which disposition and which transaction that information applies.

**Field B8\* Disposition of funds**

This describes what happened to the funds involved in the transaction.

If the disposition of funds was a life insurance policy purchase or deposit, check that box and provide the life insurance policy number in the appropriate field. If the selections provided do not cover this particular disposition, indicate "Other" and provide details in the appropriate field.

If the transaction being reported was an employee depositing cash to an employer's business account (as indicated by the "on behalf of" indicator at the top of Part B2), the disposition of funds in field B8 should be "deposit to an account".

If you are a dealer in precious metals and stones, select the disposition of funds in field B8 that best describes what your client purchased.

**Field B9\* Amount of disposition**

Enter the amount of funds involved in the disposition. If the amount was not in Canadian funds, you do not have to convert it but you have to provide the currency code in field B10.

**Field B10\* Disposition currency code**

Enter the code for the type of currency for the disposition. Enter CAD if Canadian dollars, or USD for United States dollars. If the transaction was in another type of currency, see the list of currency codes in Appendix 1 in Guideline 3B: Submitting Suspicious Transaction Reports to FINTRAC by Paper.

**Fields B11\* and 12\* Other institution, entity or person name, number and account or policy number (If applicable)**

These fields are for additional information about the disposition described in field B8. Where applicable, in field B11, provide the name (including the institution identification number if applicable) of any other institution, individual or entity involved in the disposition. In addition, where applicable, in field B12, provide the account number of any other individual or entity involved in the disposition. Also provide any policy number related to the other entity or individual in field B12, if applicable.

**Part C : Account information, if the transaction involved an account**

This part is for information about the account involved in the transaction, if it in fact involved an account. As explained earlier, it is possible to have more than one transaction per report and more than one disposition per transaction. Provide the account information, if applicable, for each disposition included in the report.

If you have to include account information for more than one disposition, complete a separate Part C to provide information for each account involved. To do this, you can copy Part C. Fill in the "Transaction \_\_\_\_ Disposition \_\_\_\_" area at the top of Part C to distinguish between each disposition, based on the number you assigned the disposition in Part B2.

**Field C1\* Branch or transit number where the account is held (if this part is applicable)**

Enter the branch number, transit number or other appropriate identifying number of the entity where the relevant account is held, if an account is applicable to the transaction.

**Field C2\* Account number (if this part is applicable)**

Enter the number of the relevant account.

**Field C3\* Type of account (if this part is applicable)**

Indicate the type of the relevant account. For example, a business account would be one that, at the time it was opened, was for a business or for a non-profit organization, etc. (i.e., other than a personal or trust account). If the selections "personal, business or trust" do not cover this particular account, indicate "Other" and provide details in the appropriate field.

If the transaction being reported was an employee depositing cash to an employer's business account (as indicated by the "on behalf of" indicator at the top of Part B2), the account type in field C3 should be "business".

**Field C4\* Account currency code (if this part is applicable)**

Enter the code for the type of currency for the relevant account. Enter CAD if Canadian dollars, or USD for United States dollars. If the account is another type of currency, see the list of currency codes in Appendix 1 in Guideline 3B: Submitting Reports to FINTRAC by Paper.

**Field C5\* Full name of the individual(s) or entity that hold the account (if this part is applicable)**

Enter the full name of each account holder (up to three).

This is for information about each individual or entity that holds the account. For example, in the case of a joint account for husband and wife, include the names of each spouse at field C5.

The account holder might be different from the individual(s) authorized to give instructions for the account. For example, an account for a corporation will have one or more individuals authorized to give instructions for that account. In this case, it is the name of the corporation that holds the account that is required in field C5. Information about individuals authorized to bind the entity or to act with respect to the account belongs in Part F, if applicable, in field F12.

**Part D: Information about the individual conducting the transaction if it is not a deposit into a business account (if applicable)**

This part is for information about the individual who conducted the transaction if any of this transaction's dispositions was **not** a deposit into a business account. If the transaction involved nothing other than deposits to a business account, complete Part E.

If the transaction was a night deposit or a quick drop to a business account, neither of Parts D, E, F or G applies.

As explained earlier, it is possible to have more than one transaction per report. Provide information about the individual who conducted the transaction in either Part D or Part E, as appropriate, for each transaction included in the report. Fill in the "Transaction \_\_\_\_" area at the top of Part D to distinguish between each transaction, based on the number you assigned the transaction in Part B1.

If you are a dealer in precious metals and stones, the conductor of the transaction is the individual from whom you bought or to whom you sold precious metals or stones.

**Fields D1\*, D2\* and D3 Individual's full name (if this part is applicable)**

Enter the last name, first name and middle initial (if applicable) of the individual who conducted the transaction.

If the transaction is reportable as one of multiple cash transactions of less than \$10,000 each and, because of this, information for fields D1 and D2 was not obtained at the time of the transaction (and is not available from your records), you can leave these fields blank.

**Field D4\* Entity client number (if applicable and if this part is applicable)**

Enter the client number you issued to the individual who conducted the transaction, if applicable.

**Fields D5\* to D9\* Individual's full address (if this part is applicable)**

Enter the civic address, town or city, province or state, country and postal code of the individual who conducted the transaction.

If the transaction is reportable as one of multiple cash transactions of less than \$10,000 each and, because of this, information for fields D5 to D9 was not obtained at the time of the transaction (and is not available from your records), you can leave these fields blank.

**Field D10 Country of residence**

Enter the country of permanent residence of the individual who conducted the transaction.

**Field D11 Home telephone number**

Enter the home telephone number, including the area code, of the individual who conducted the transaction.

If the number is one from Canada or the United States, enter the area code and local number. This should be in the following format: "999-999-9999".

If the number is from outside Canada or the United States, provide the country code, city code and local number components. As each of those components can vary in length, use a dash (-) to separate each one. For example, "99-999-9999-9999" would indicate a two-digit country code, a three-digit city code and an eight digit local number.

**Field D12\* Individual's identifier (if this part is applicable)**

Check the appropriate box to show the document used to identify the individual who conducted the transaction.

You can refer to an individual's provincial health card, provided there is no provincial or territorial legislation preventing you from using or requesting it.

If the selections provided do not cover the identifier used, indicate "Other" and provide details in the appropriate field.

Please note that although a Social Insurance Number (SIN) card can be used for identification purposes for transactions such as the opening of an account, the SIN (i.e., the number) should not be provided on this form. If you used a SIN card and no other identifying document for the individual, indicate **SIN card** in the "Other" area of field D12, but do not provide the number in field D13.

If the transaction is reportable as one of multiple cash transactions of less than \$10,000 each and, because of this, information for field D12 was not obtained at the time of the transaction (and is not available from your records), you can leave this field blank.

**Field D13\* ID Number (if this part is applicable)**

Enter the number of the document described in field D12 that was used to identify the individual who conducted the transaction. Remember that a health card number is not acceptable for this purpose in some provinces. Furthermore, as explained above, a SIN should not be provided on this form. If the identifier document in field D12 (and D12A) is a SIN card, enter "N/A" in field D13 to indicate the number is not applicable.

If the transaction is reportable as one of multiple cash transactions of less than \$10,000 each and, because of this, information for field D13 was not obtained at the time of the transaction (and is not available from your records), you can leave this field blank.

**Fields D14\* and D15\* Place of issue (if this part is applicable)**

Enter the province or state and country of issue of the document used to identify the individual who conducted the transaction. If the document was issued nationally and there was no province or state included in the place of issue, leave the province or state field blank.

If the transaction is reportable as one of multiple cash transactions of less than \$10,000 each and, because of this, information for fields D14 and D15 was not obtained at the time of the transaction (and is not available from your records), you can leave these fields blank.

**Field D16\* Individual's date of birth (if this part is applicable)**

Enter the date (yyyy-mm-dd) of birth of the individual who conducted the transaction.

If the transaction is reportable as one of multiple cash transactions of less than \$10,000 each and, because of this, information for field D16 was not obtained at the time of the transaction (and is not available from your records), you can leave this field blank.

**Field D17\* Individual's occupation (if this part is applicable)**

Enter the occupation of the individual who conducted the transaction.

Be as descriptive as possible regarding occupation. Provide information that clearly describes it, rather than use a general term. For example, in the case of a consultant, the occupation should reflect the area of consulting, such as "IT consultant" or "consulting forester". As another example, in the case of a professional, the occupation should reflect the nature of the work, such as "petroleum engineer" or "family physician".

If the individual is not employed or engaged in any type of business or profession, provide information that best describes their situation, such as "student", "unemployed", "retired", etc.

If the transaction is reportable as one of multiple cash transactions of less than \$10,000 each and, because of this, information for field D17 was not obtained at the time of the transaction (and is not available from your records), you can leave this field blank.

**Field D18 Individual's business telephone number**

Enter the business telephone number, including the area code, of the individual who conducted the transaction. Include the extension if applicable in field D18A.

If the number is one from Canada or the United States, enter the area code and local number. This should be in the following format: "999-999-9999".

If the number is from outside Canada or the United States, provide the country code, city code and local number components. As each of those components can vary in length, use a dash (-) to separate each one. For example, "99-999-9999-9999" would indicate a two-digit country code, a three-digit city code and an eight digit local number.

**Part E: Information about the individual conducting the transaction if it is a deposit into a business account - other than a quick drop or night deposit (if applicable)**

This part is for information about the individual who conducted the transaction if this transaction had no other dispositions than **deposits into a business account**. As explained earlier, it is possible to have more than one transaction per report. Provide this information for each transaction included in the report. Fill in the "Transaction \_\_\_\_" area at the top of Part E to distinguish between each transaction, based on the number you assigned the transaction in Part B1.

If the transactions involved any disposition that was not a deposit to a business account, complete Part D. If the transaction was a night deposit or a quick drop to a business account, neither of Parts D or E applies.

**Fields E1\*, E2\* and E3 Individual's full name (if this part is applicable)**

Enter the last name, first name and middle initial (if applicable) of the individual who conducted the transaction.

If the transaction is reportable as one of multiple cash transactions of less than \$10,000 each and, because of this, information for fields E1 and E2 was not obtained at the time of the transaction (and is not available from your records), you can leave these fields blank.

**Part F: Information about the entity on whose behalf the transaction was conducted (if applicable)**

This part only applies if the transaction's disposition was conducted on behalf of a third party that is an entity, as indicated in Part B2. If an employee deposited cash in his or her employer's business account, or if the transaction was a deposit to a business account by night deposit or quick drop, Part F does not apply.

Complete a separate Part F for each disposition that was conducted on behalf of an entity. To do this, you can copy Part F. Fill in the "Transaction \_\_\_\_ Disposition \_\_\_\_" area at the top of Part F to distinguish between each disposition, based on the number you assigned the disposition in Part B2.

**Field F1\* Name of corporation, trust or other entity (if this part is applicable)**

Enter the full name of the business, corporation, trust or other entity on whose behalf the transaction was conducted.

If the transaction is reportable as one of multiple cash transactions of less than \$10,000 each and, because of this, information for field F1 was not obtained at the time of the transaction (and is not available from your records), you can leave this field blank.

**Field F2\* Type of business (if this part is applicable)**

Describe the type of business or entity on whose behalf the transaction was conducted.

If the transaction is reportable as one of multiple cash transactions of less than \$10,000 each and, because of this, information for field F2 was not obtained at the time of the transaction (and is not available from your records), you can leave this field blank.

**Field F2\* Type of business (if this part is applicable)**

Describe the type of business or entity on whose behalf the transaction was conducted.

If the transaction is reportable as one of multiple cash transactions of less than \$10,000 each and, because of this, information for field F2 was not obtained at the time of the transaction (and is not available from your records), you can leave this field blank.

**Fields F3\* to F7\* Full address of entity (if this part is applicable)**

Enter the civic address, town or city, province or state, country and postal code of the business, corporation or other entity on whose behalf the transaction was conducted.

If the transaction is reportable as one of multiple cash transactions of less than \$10,000 each and, because of this, information for fields F3 to F7 was not obtained at the time of the transaction (and is not available from your records), you can leave these fields blank.

**Field F8 Business telephone number**

Enter the telephone number, including the area code, of the business, corporation or other entity on whose behalf the transaction was conducted. Include the extension, if applicable, at field F8A.

If the number is one from Canada or the United States, enter the area code and local number. This should be in the following format: "999-999-9999".

If the number is from outside Canada or the United States, provide the country code, city code and local number components. As each of those components can vary in length, use a dash (-) to separate each one. For example, "99-999-9999-9999" would indicate a two-digit country code, a three-digit city code and an eight digit local number.

**Fields F9\* to F11\* Incorporation information (if applicable and if this part is applicable)**

If the transaction was conducted on behalf of an entity that is a corporation, provide the incorporation number. Also provide the province or state, and country of the incorporation number's place of issue. If an incorporation number does not exist for the corporation, enter "N/A" in fields F9, F10 and F11. If the incorporation number was issued nationally and there was no province or state included in the place of issue, leave the province or state field blank.

If the transaction is reportable as one of multiple cash transactions of less than \$10,000 each and, because of this, information for fields F9, F10 and F11 was not obtained at the time of the transaction (and is not available from your records), you can leave these fields blank.

**Field F12 Individual(s) authorized to bind the entity or act with respect to the account (up to three)**

Provide the names of up to three individuals who have authority to bind the entity or conduct transactions through the account.

**Part G: Information about the individual on whose behalf the transaction was conducted (if applicable)**

This part only applies when the transaction's disposition was conducted on behalf of a third party that is an individual, as indicated in Part B2.

If the individual conducted the transaction's disposition on his or her own behalf, this part does not apply. In that case, see Part D or Part E.

If an employee deposited cash in his or her employer's business account, or if the transaction was a deposit to a business account by night deposit or quick drop, Part G does not apply. If the transaction's disposition was conducted on behalf of an entity (such as a business, a partnership, a corporation, etc.), see Part F.

Complete a separate Part G for each disposition that was conducted on behalf of an individual. To do this, you can copy Part G. Fill in the "Transaction \_\_\_\_ Disposition \_\_\_\_" area at the top of Part G to distinguish between each disposition, based on the number you assigned the disposition in Part B2.

**Fields G1\*, G2\* and G3 Individual's full name (if this part is applicable)**

Enter the last name, first name and middle initial (if applicable) of the individual on whose behalf the transaction was conducted.

If the transaction is reportable as one of multiple cash transactions of less than \$10,000 each and, because of this, information for fields G1 and G2 was not obtained at the time of the transaction (and is not available from your records), you can leave these fields blank.

**Fields G4\* to G8\* Individual's full address (if this part is applicable)**

Enter the civic address, town or city, province or state, country and postal code of the individual on whose behalf the transaction was conducted.

If the transaction is reportable as one of multiple cash transactions of less than \$10,000 each and, because of this, information for fields G4 to G8 was not obtained at the time of the transaction (and is not available from your records), you can leave these fields blank.

#### **Field G9 Home telephone number**

Enter the home telephone number, including the area code, of the individual on whose behalf the transaction was conducted.

If the number is one from Canada or the United States, enter the area code and local number. This should be in the following format: "999-999-9999".

If the number is from outside Canada or the United States, provide the country code, city code and local number components. As each of those components can vary in length, use a dash (-) to separate each one. For example, "99-999-9999-9999" would indicate a two-digit country code, a three-digit city code and an eight digit local number.

#### **Field G10 Business telephone number**

Enter the business telephone number, including the area code, of the individual on whose behalf the transaction was conducted. Include the extension if applicable at field G10A.

If the number is one from Canada or the United States, enter the area code and local number. This should be in the following format: "999-999-9999".

If the number is from outside Canada or the United States, provide the country code, city code and local number components. As each of those components can vary in length, use a dash (-) to separate each one. For example, "99-999-9999-9999" would indicate a two-digit country code, a three-digit city code and an eight digit local number.

#### **Field G11 Individual's date of birth**

Enter the date of birth (yyyy-mm-dd) of the individual on whose behalf the transaction was conducted.

#### **Field G12 Individual's identifier**

Check the appropriate box to show the document used to identify the individual on whose behalf the transaction was conducted.

You can refer to an individual's provincial health card, provided there is no provincial or territorial legislation preventing you from using or requesting it.

If the selections provided do not cover the identifier used, indicate "Other" and provide details in the appropriate field.

Please note that although a Social Insurance Number (SIN) card can be used for identification purposes for transactions such as the opening of an account, the SIN (i.e., the number) should not be provided on this form. If you used a SIN card and no other identifying document for the individual, indicate **SIN card** in the "Other" area of field G12, but do not provide the number in field G13.

#### **Field G13 ID number**

Enter the number of the document described in field G12 that was used to identify the individual on behalf of whom the transaction was conducted. Remember that a health card number is not acceptable for this purpose in some provinces. Furthermore, as explained above, a SIN should not be provided on this form. If the identifier document in field G12 (and G12A) is a SIN card, enter "N/A" in field G13 to indicate the number is not applicable.

#### **Field G14 Country of residence**

Enter the country of permanent residence of the individual on whose behalf the transaction was conducted.

#### **Fields G15 and G16 Place of issue of the individual's identifier**

Enter the province or state, and country of issue of the document used to identify the individual on whose behalf the transaction was conducted. If the document was issued nationally and there was no province or state included in the place of issue, leave the province or state field blank.

#### **Field G17 Individual's occupation**

Enter the occupation of the individual on whose behalf the transaction was conducted.

Be as descriptive as possible regarding occupation. Provide information that clearly describes it, rather than use a general term. For example, in the case of a consultant, the occupation should reflect the area of consulting, such as "IT consultant" or "consulting forester". As another example, in the case of a professional, the occupation should reflect the nature of the work, such as "petroleum engineer" or "family physician".

If the individual is not employed or engaged in any type of business or profession, provide information that best describes their situation, such as "student", "unemployed", "retired", etc.

**Field G18 Relationship of the individual named in Part D or Part E to the individual named above**

Check the appropriate box to indicate the relationship of the individual conducting the transaction to the individual on whose behalf the transaction was conducted.

If the selections provided do not cover the relationship, indicate "Other" and provide details in the appropriate field.



**CHAPTER 18**

# Appendix L— Suspicious Transaction Report Form

This form is reproduced with permission from the Financial Transactions and Reports Analysis Centre of Canada and was up-to-date at the time of printing. As this form may change, we recommend you check the website to ensure you are using the latest version.

Source: [www.fintrac-canafe.gc.ca/publications/STR-2008-eng.pdf](http://www.fintrac-canafe.gc.ca/publications/STR-2008-eng.pdf)

Financial Transactions and  
Reports Analysis Centre of CanadaCentre d'analyse des opérations  
et déclarations financières du Canada

## Suspicious Transaction Report

If you have the capability to report electronically, DO NOT use this paper form.  
 Refer to the reporting section of FINTRAC's Web site — <http://www.fintrac-canafe.gc.ca>

Use this form if you are a reporting entity and you have reason to suspect that a financial transaction is related to money laundering or terrorist activity financing. For more information about who is considered a reporting entity and for instructions on how to complete this form, see *Guideline 3B: Submitting Suspicious Transaction Reports to FINTRAC by Paper* or call FINTRAC's toll-free enquiries line at 1-866-346-8722.

Send completed form by mail: FINTRAC, Section A, 234 Laurier Avenue West, 24th Floor, Ottawa, Ontario K1P 1H7  
 or send completed form by fax: 1-866-226-2346

Is this Report a correction to a Report previously submitted?

NO

YES

- Enter the original Report's Date and Time
- Date 2 | 0 | MONTH | | DAY | | Time | | HOUR | | MINUTE
- YEAR
- MONTH
- DAY
- HOUR
- MINUTE
- COMPLETE PART A – whether the information has changed or not
- Provide the new information ONLY for the affected fields in Part B through Part H
- If removing information from a field, strike a line through the field

REPORTING DATE 2 | 0 | MONTH | | DAY | | TIME | | HOUR | | MINUTE

All fields of the report marked with an asterisk (\*) must be completed. The ones that are also marked "if applicable" must be completed if they are applicable to you or the transaction being reported. For all other fields, you have to make reasonable efforts to get the information.

### PART A — Information about where the transaction took place

1. Reporting entity's identifier number\* (if applicable)

If you are an **employee** of a reporting entity and you are making this report about a suspicious transaction that you did **not** report to your superior, there are special instructions for you to complete several of the fields in this part. Please refer to the instructions for completing a suspicious transaction report in *Guideline 3B: Submitting Suspicious Transaction Reports to FINTRAC by Paper*.

2. Reporting entity's full name\*

Where did the transaction take place?

3. Street address\*

4. City\*

5. Province \*

6. Postal code\*

Whom can FINTRAC contact about this report?

6A. Reporting entity report reference number

7. Contact – Surname \*

8. Contact – Given name\*

9. Contact – Initial/Other

10. Contact – Telephone number (with area code)\*

10A. Contact – Telephone extension number

11. Which one of the following types of reporting entities best describes you?\*

- |  |   |   |  |
|--|---|---|--|
| <input type="checkbox"/> Accountant              | <input type="checkbox"/> Casino               | <input type="checkbox"/> Dealer in Precious Metals and Stones | <input type="checkbox"/> Provincial Savings Office |
| <input type="checkbox"/> Bank                    | <input type="checkbox"/> Co-op Credit Society | <input type="checkbox"/> Life Insurance Broker or Agent       | <input type="checkbox"/> Real Estate               |
| <input type="checkbox"/> British Columbia Notary | <input type="checkbox"/> Credit Union         | <input type="checkbox"/> Life Insurance Company               | <input type="checkbox"/> Securities Dealer         |
| <input type="checkbox"/> Caisse Populaire        | <input type="checkbox"/> Crown Agent          | <input type="checkbox"/> Money Services Business              | <input type="checkbox"/> Trust and/or Loan Company |
- (Sells/Redeems Money Orders)

Revised December 2008



Canada

**NOTE: Please copy this page for each additional, related, suspicious transaction (if required).**

**Transaction**  **of**

**PART B1 — Information about how the transaction was initiated**

If the transaction being reported was attempted and, because of this, information for any mandatory fields in this part is not available, you can leave those fields blank.

1. Date of the transaction *		2. Time of the transaction		4. Date of posting (if different from date of transaction)																	
<input type="text" value="2"/> <input type="text" value="0"/> YEAR      MONTH      DAY		HOUR      MINUTES      SECONDS		<input type="text" value="2"/> <input type="text" value="0"/> YEAR      MONTH      DAY																	
<b>or</b>																					
3. Night deposit indicator *																					
<input type="checkbox"/> If the transaction was not a night deposit, leave this box empty.																					
5. Detail of funds involved in initiating the transaction *																					
<table border="0"> <tr> <td><input type="checkbox"/> Cash in</td> <td><input type="checkbox"/> Negotiated bank draft</td> <td><input type="checkbox"/> Negotiated securities</td> <td><input type="checkbox"/> Real estate</td> </tr> <tr> <td><input type="checkbox"/> Diamonds</td> <td><input type="checkbox"/> Negotiated cheque</td> <td><input type="checkbox"/> Negotiated traveller's cheques</td> <td><input type="checkbox"/> Redeemed casino chips</td> </tr> <tr> <td><input type="checkbox"/> Incoming electronic funds transfer</td> <td><input type="checkbox"/> Negotiated life insurance policy</td> <td><input type="checkbox"/> Precious metals</td> <td><input type="checkbox"/> Withdrawal from account</td> </tr> <tr> <td><input type="checkbox"/> Jewellery</td> <td><input type="checkbox"/> Negotiated money order</td> <td><input type="checkbox"/> Precious stones (excluding diamonds)</td> <td><input type="checkbox"/> Other</td> </tr> </table> <p style="text-align: right;">DESCRIPTION (OTHER) <input type="text"/></p>						<input type="checkbox"/> Cash in	<input type="checkbox"/> Negotiated bank draft	<input type="checkbox"/> Negotiated securities	<input type="checkbox"/> Real estate	<input type="checkbox"/> Diamonds	<input type="checkbox"/> Negotiated cheque	<input type="checkbox"/> Negotiated traveller's cheques	<input type="checkbox"/> Redeemed casino chips	<input type="checkbox"/> Incoming electronic funds transfer	<input type="checkbox"/> Negotiated life insurance policy	<input type="checkbox"/> Precious metals	<input type="checkbox"/> Withdrawal from account	<input type="checkbox"/> Jewellery	<input type="checkbox"/> Negotiated money order	<input type="checkbox"/> Precious stones (excluding diamonds)	<input type="checkbox"/> Other
<input type="checkbox"/> Cash in	<input type="checkbox"/> Negotiated bank draft	<input type="checkbox"/> Negotiated securities	<input type="checkbox"/> Real estate																		
<input type="checkbox"/> Diamonds	<input type="checkbox"/> Negotiated cheque	<input type="checkbox"/> Negotiated traveller's cheques	<input type="checkbox"/> Redeemed casino chips																		
<input type="checkbox"/> Incoming electronic funds transfer	<input type="checkbox"/> Negotiated life insurance policy	<input type="checkbox"/> Precious metals	<input type="checkbox"/> Withdrawal from account																		
<input type="checkbox"/> Jewellery	<input type="checkbox"/> Negotiated money order	<input type="checkbox"/> Precious stones (excluding diamonds)	<input type="checkbox"/> Other																		
6. Amount of transaction *																					
<input type="text"/>																					
7. Transaction currency code * — Enter CAD if Canadian dollars or USD for United States dollars. If another type of currency is involved, see Appendix 1 in <i>Guideline 3B: Submitting Suspicious Transaction Reports to FINTRAC by Paper.</i>																					
<b>Additional information about the funds described in field 5 above</b> 8. Other institution name and number or other entity or person name * (if applicable) <input type="text"/>																					
9. Other entity or person account number * (if applicable) <input type="text"/>																					
10. How was the transaction conducted? *																					
<table border="0"> <tr> <td><input type="checkbox"/> Armoured car</td> <td><input type="checkbox"/> In-branch/Office/Store</td> <td><input type="checkbox"/> Quick drop</td> </tr> <tr> <td><input type="checkbox"/> Automated banking machine</td> <td><input type="checkbox"/> Mail deposit</td> <td><input type="checkbox"/> Telephone</td> </tr> <tr> <td><input type="checkbox"/> Courier</td> <td><input type="checkbox"/> Night deposit</td> <td><input type="checkbox"/> Other</td> </tr> </table> <p style="text-align: right;">DESCRIPTION (OTHER) <input type="text"/></p>						<input type="checkbox"/> Armoured car	<input type="checkbox"/> In-branch/Office/Store	<input type="checkbox"/> Quick drop	<input type="checkbox"/> Automated banking machine	<input type="checkbox"/> Mail deposit	<input type="checkbox"/> Telephone	<input type="checkbox"/> Courier	<input type="checkbox"/> Night deposit	<input type="checkbox"/> Other							
<input type="checkbox"/> Armoured car	<input type="checkbox"/> In-branch/Office/Store	<input type="checkbox"/> Quick drop																			
<input type="checkbox"/> Automated banking machine	<input type="checkbox"/> Mail deposit	<input type="checkbox"/> Telephone																			
<input type="checkbox"/> Courier	<input type="checkbox"/> Night deposit	<input type="checkbox"/> Other																			
11. ID number of the person initially identifying a suspicious transaction <input type="text"/>																					

**NOTE: Please copy this page for each additional, related, disposition (per transaction) (if required).**

Transaction  Disposition  of

**PART B2 — Information about how the transaction was completed**

If the transaction being reported was attempted and, because of this, information for any mandatory fields in this part is not available, you can leave those fields blank.

Indicate whether this transaction was conducted on behalf of anyone other than the individual who conducted it. If not, indicate "not applicable."

- |                      |  |   |
|----------------------|--|---|
| <b>On behalf of:</b> | <input type="checkbox"/> <b>not applicable</b>   | <input type="checkbox"/> <b>another individual</b> (also complete PART F)               |
|                      | <input type="checkbox"/> <b>an entity (other than an individual)</b><br>(also complete PART E) | <input type="checkbox"/> <b>employee depositing cash to employer's business account</b> |

12. Disposition of funds\*

<input type="checkbox"/> Cash out	<input type="checkbox"/> Outgoing electronic funds transfer	<input type="checkbox"/> Purchase of jewellery	<input type="checkbox"/> Purchase of traveller's cheques
<input type="checkbox"/> Conducted currency exchange	<input type="checkbox"/> Purchase of bank draft	<input type="checkbox"/> Purchase of money order	<input type="checkbox"/> Real estate purchase/deposit
<input type="checkbox"/> Deposit to an account	<input type="checkbox"/> Purchase of casino chips	<input type="checkbox"/> Purchase of precious metals	<input type="checkbox"/> Securities purchase/deposit
<input type="checkbox"/> Life insurance policy purchase/deposit	<input type="checkbox"/> Purchase of diamonds	<input type="checkbox"/> Purchase of precious stones (excluding diamonds)	<input type="checkbox"/> Other _____ DESCRIPTION (OTHER)

POLICY NUMBER

13. Amount of disposition\*

\_\_\_\_\_

14. Disposition currency code\* — Enter CAD if Canadian dollars or USD for United States dollars. If another type of currency is involved, see Appendix 1 in *Guideline 3B: Submitting Suspicious Transaction Reports to FINTRAC by Paper*.

\_\_\_\_\_

**Additional information about the funds described in field 12 above**

15. Other institution name and number or other entity or person name\* (if applicable)

\_\_\_\_\_

16. Other entity or person account number or policy number\* (if applicable)

\_\_\_\_\_



**NOTE: Please copy this page for each additional disposition (if applicable).**

**PART C — Account information, if the transaction involved an account**

Transaction  Disposition

If the transaction being reported was attempted and, because of this, information for any mandatory fields in this part is not available, you can leave those fields blank.

Complete this Part ONLY if the transaction involved an account.

1. Branch or transit number where the account is held\* (if this part is applicable)

  [REDACTED]

3. Type of account\* (if this part is applicable)

Business     Personal     Trust     Other

[REDACTED]  
DESCRIPTION (OTHER)

4. Account currency code\* (if this part is applicable) — Enter CAD if Canadian dollars or USD for United States dollars. If another type of currency is involved, see Appendix 1 in *Guideline 3B: Submitting Suspicious Transaction Reports to FINTRAC by Paper*.

  [REDACTED]

5. Full name of each account holder (the individual(s) or entity that hold the account)\* (if this part is applicable)

1. [REDACTED]

2. [REDACTED]

3. [REDACTED]

6. Date opened

YEAR

MONTH

DAY

7. Date closed

YEAR

MONTH

DAY

8. Status of the account at the time the transaction was initiated\* (if this part is applicable)

YEAR

MONTH

DAY

Active     Inactive     Dormant

**NOTE:** Please copy this page for each additional transaction (if applicable).

**PART D — Information about the individual conducting the transaction**

**Transaction**

1. Surname

2. Given name

3. Other/Initial

4. Client number assigned by reporting entity \* (if applicable)

5. Street address

6. City

7. Province or State

8. Country

9. Postal or Zip code

10. Country of residence

10A. Country of citizenship

11. Home telephone number (with area code)

12. Individual's identifier

- Birth certificate
  - Driver's licence
  - Passport
  - Provincial health card
  - Record of landing / Permanent resident card
  - Other
- DESCRIPTION (OTHER)

13. ID number (from question 12)

14. Place of issue – Province or State

15. Place of issue – Country

16. Individual's date of birth

YEAR      MONTH      DAY

17. Individual's occupation

18. Individual's business telephone number (with area code)

18A. Telephone extension number

**Information about individual's employer**

19. Individual's employer

20. Employer's street address

21. Employer's city

22. Employer's province or state

23. Employer's country

24. Postal or Zip code

25. Employer's business telephone number (with area code)

25A. Telephone extension number



**NOTE: Please copy this page for each additional disposition (if required).**

**Transaction  Disposition**

**PART E — Information about the entity on whose behalf the transaction was conducted (if applicable)**

1. Name of corporation, trust or other entity

2. Type of business

3. Street address

4. City

5. Province or State

6. Country

7. Postal or Zip code

8. Business telephone number (with area code)

8A. Telephone extension number

9. Incorporation number

10. Place of issue – Province or State

11. Place of issue – Country

12. Individual(s) authorized to bind the entity or act with respect to the account (up to three)

- 1   
2   
3



**NOTE: Please copy this page for each additional disposition (if required).**

**Transaction  Disposition**

**PART F — Information about the individual on whose behalf the transaction was conducted (if applicable)**

1. Surname \_\_\_\_\_ 2. Given name \_\_\_\_\_ 3. Other/Initial \_\_\_\_\_

4. Street address \_\_\_\_\_

5. City \_\_\_\_\_

6. Province or State \_\_\_\_\_ 7. Country \_\_\_\_\_

8. Postal or Zip code \_\_\_\_\_

9. Home telephone number (with area code) \_\_\_\_\_

10. Business telephone number (with area code) \_\_\_\_\_ 10A. Telephone extension number \_\_\_\_\_

11. Individual's date of birth  
YEAR MONTH DAY

12. Individual's identifier

- Birth certificate
- Driver's licence
- Passport
- Provincial health card
- Record of landing/Permanent resident card
- Other \_\_\_\_\_

13. ID number (from question 12) \_\_\_\_\_

14. Country of residence \_\_\_\_\_

14A. Country of citizenship \_\_\_\_\_

15. Place of issue of individual's identifier — Province or State \_\_\_\_\_

16. Place of issue of individual's identifier — Country \_\_\_\_\_

17. Individual's occupation \_\_\_\_\_

**Information about individual's employer**

18. Individual's employer \_\_\_\_\_

19. Employer's street address \_\_\_\_\_

20. Employer's city \_\_\_\_\_

21. Employer's province or state \_\_\_\_\_

22. Employer's country \_\_\_\_\_

23. Postal or Zip code \_\_\_\_\_

24. Employer's business telephone number (with area code) \_\_\_\_\_

24A. Telephone extension number \_\_\_\_\_

**Relationship**

25. Relationship of the individual named in Part D to the individual named above (fields 1 to 3)

- Accountant
- Borrower
- Customer
- Friend
- Relative
- Agent
- Broker
- Employee
- Legal counsel
- Other \_\_\_\_\_

**PART G — Description of suspicious activity**

1. Please describe clearly and completely the factors or unusual circumstances that led to the suspicion of money laundering or terrorist activity financing.\*  
Provide as many details as possible to explain what you found suspicious.

If this report is about one or more transactions that were attempted, also describe why each one was not completed.

**PART H — Description of action taken (if applicable)**

1. Please describe what action, if any, was or will be taken by you as a result of the suspicious transaction(s).\*(if this part is applicable)

The information on this form is collected under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (the Act). It will be used for analytical purposes and may also be used for the purposes of ensuring compliance with the Act. Any personal information is protected under the provisions of the *Privacy Act*. For more information, consult the Financial Transactions and Reports Analysis Centre of Canada chapter in the *Sources of Federal Government Information* publication, available on the Government of Canada Info Source Web site (<http://www.infosource.gc.ca>).

Source: [www.fintrac-canafe.gc.ca/publications/guide/Guide3B/3b-eng.asp#s441](http://www.fintrac-canafe.gc.ca/publications/guide/Guide3B/3b-eng.asp#s441)

## 5. Instructions for Completing a Suspicious Transaction Report

The fields in this section correspond with the paper form called the Suspicious Transaction Report. As explained in subsection 3.3, completing a paper report is only permitted if you do not have the capability to report electronically.

Fields in reports are either mandatory, mandatory if applicable, or require "reasonable efforts" to complete, as follows:

- **Mandatory:** All fields of a report marked with an asterisk (\*) **have to be completed**.
- **Mandatory if applicable:** The fields that have both an asterisk and "if applicable" next to them have to be completed if they are applicable to you or the transaction being reported.
- **Reasonable efforts:** For all other fields that do not have an asterisk, you have to make reasonable efforts to get the information. "Reasonable efforts" means that you tried to get the information requested on the report. If the information is available to you, you must provide it in the report. If the information was not available at the time of the transaction, and it is not contained in your files or records, the field may be left blank.

In certain circumstances, only as directed in the instructions for certain fields, if you need to indicate that a required field in a report is not applicable, enter "N/A" or "n/a". Do not substitute any other abbreviations, special characters (for example, "x", "-" or "") or words (for example, "unknown").

When completing the paper form, enter the date and time when you begin completing it at the top of the form. If you have to file a correction to a report on paper, follow the instructions on the first page of the form. If you need to get a paper form, see section 4.

There are eight parts on the Suspicious Transaction Report form, but some are only to be completed if applicable. To report a suspicious transaction, follow the following five steps:

- Step 1 - Complete Part A to provide information about the reporting entity and about where the transaction took place or was attempted.
- Step 2 - Complete Part B1 to provide details about the transaction.
- Step 3 - Complete Part B2 to provide details about the transaction's disposition. If the transaction's disposition was related to an account, also complete Part C. If the transaction's disposition was on behalf of a business, a corporation or other entity (other than an employee depositing cash into his or her employer's business account), also complete Part E. If the transaction's disposition was on behalf of an individual (other than an employee depositing cash into his or her employer's business account), complete Part F.
- If there was more than one disposition for the transaction, repeat this step for each disposition.
- Step 4 - Complete Part D to provide information about the individual conducting or attempting to conduct the transaction.
- Step 5 - Complete Part G to explain the reason for your suspicion. In the case of a report about attempted transactions, this must include the reason why they were not completed. Also, complete Part H to provide information about any action taken, if applicable.

If you have to include more than one transaction in your report, repeat steps 2, 3 and 4 for each one. You may need to use extra copies of Parts B1, B2, C, D, E or F to complete your report.

The rest of this section will cover each part of the Suspicious Transaction Report form.

### Transaction status indicator

To report a **completed** transaction, check "Completed" as the transaction status indicator. This applies to the entire report, so you should not include any other transactions in this report if they were attempted.

To report an **attempted** transaction, check "Attempted" as the transaction status indicator. This applies to the entire report, so you should not include any other transactions in this report if they were completed.

If you need more information about when a transaction is completed or attempted, see Guideline 2: Suspicious Transactions.

### Part A : Information about where the transaction took place

This part is for information about the reporting entity required to report the transaction to FINTRAC. It is also for information about the physical location where the transaction took place or was attempted.

If you need more information about what type of individual or entity is a reporting entity, see section 2 of this guideline.

If you have multiple branch or office locations, the information in this part should refer to the branch or office location where the transaction took place or was attempted. Transactions that happened or were attempted at different branch or office locations should be reported on separate reports.

Some reporting entities have contractual arrangements with someone outside their entity to conduct transactions on their behalf. For example, a money services business arranges for transactions, such as electronic funds transfers, to be conducted for them at a grocery store. If you have this type of arrangement, as the reporting entity, your name belongs in Part A. However, since the transaction was conducted at someone else's place of business, it is that address that must appear in Part A.

If you are an **employee** of a reporting entity and you are making this report about a suspicious transaction that you did **not** report to your superior, there are special instructions for you to complete several of the fields in this part.

#### Field A1\* Reporting entity's identifier number (If applicable)

This is the institution or licence number, or other identification number for the reporting entity, as outlined below. If you are a reporting entity that has several branch locations, the identification number should refer to the branch or office where the transaction occurred.

- If you are an **accountant**, enter your provincial chartered accountant (CA), provincial certified management accountant (CMA), or provincial certified general accountant (CGA) number.
- If you are a **bank**, **caisse populaire**, **cooperative credit society** or **credit union**, enter your financial institution number issued by the Canadian Payments Association (CPA).
- If you are an **agent of the Crown that sells or redeems money orders**, enter your post office or similar number.
- If you are a **life insurance broker or agent**, enter your provincial broker or agent licence number.
- If you are a **federally regulated life insurance company**, enter your Office of the Superintendent of Financial Institutions (OSFI) Institution Code.
- If you are a **life insurance company that is not federally regulated**, enter your provincial licence number.
- If you are a **provincial savings office**, enter your financial institution number issued by the CPA.
- If you are a **real estate broker or sales representative**, enter your provincial broker number.
- If you are a **securities dealer**, enter your provincial dealer licence number.
- If you are a **trust and loan company**, enter your financial institution number issued by the CPA.
- If you are a **provincial trust and loan** that is not a member of the CPA, enter your registration number.
- If you are a **money services business**, enter your money services business registration number issued by FINTRAC.
- If you are a **dealer in precious metals and stones**, leave this field blank.
- If you are a **British Columbia public notary**, enter your membership number. If you are a **notary corporation of British Columbia**, enter your permit number.
- If you are a **real estate developer**, enter your provincial licence number if you have one. Otherwise, leave this field blank.

If you are an **employee** of a reporting entity and you are making this report about a suspicious transaction that you did **not** report to your superior, enter "**EMPLOYEE**" in field A1.

#### Field A2\* Reporting entity's full name

Enter the full legal name of the business or corporation that is the reporting entity. If you are a reporting entity that does not have a business name (for example, you are a reporting entity that is an individual), enter your full name.

If you are an **employee** of a reporting entity and you are making this report about a suspicious transaction that you did **not** report to your superior, enter your **own** name in field A2.

#### Fields A3\* to A6\* Reporting entity's full address

Enter the civic address, town or city, province and postal code where the transaction took place or was attempted. If you have more than one location, this information should refer to where the transaction took place or was attempted. As explained above, transactions that happened at different branch or office locations should be reported on separate reports.

If you are an **employee** of a reporting entity and you are making this report about a suspicious transaction that you did **not** report to your superior, enter the complete address of where the transaction took place or was attempted in fields A3 to A6.

#### Field A6A Reporting entity report reference number

If you use a reference number for your own internal purposes, you can enter it in your report to FINTRAC. This field can contain up to 20 alpha or numeric characters and must be unique for each of your reporting entity's reports.

If you do not wish to use such an internal reference number, leave this field empty.

#### Fields A7\*, A8\* and A9 Contact name

Enter the name of the individual FINTRAC can contact for clarification about this report.

If you are an **employee** of a reporting entity and you are making this report about a suspicious transaction that you did **not** report to your superior, enter your **own** contact information in these fields.

**Field A10\* Contact telephone number**

Enter the telephone number, including the area code, of the individual FINTRAC can contact for clarification. Include the extension if applicable in field A10A.

**Field A11\* Which one of the following types of reporting entities best describes you?**

Enter the type of activity applicable to you. If you are involved in more than one activity type, indicate the one applicable to the transaction being reported. If there is more than one activity for one or more transactions on the report, check only one box to indicate your principal type of activity, and provide additional details in Part G.

If you are an **employee** of a reporting entity and you are making this report about a suspicious transaction that you did **not** report to your superior, enter the type of reporting entity **for your employer** in this field.

**Part B1 : Information about how the transaction was initiated**

This part is for information about how the transaction was initiated (i.e., where the money came from) for the transaction that led you to the suspicion of a connection to money laundering or terrorist financing. In the case of an attempted transaction, this would include information about how it was proposed to be initiated.

Your suspicion could be based on a series of transactions. In that case, include in this report the information for each transaction that led to the suspicion.

When you need to report more than one transaction, complete a separate Part B1 for each transaction. To do this, you can copy Part B1. Fill in the "Transaction \_\_\_ of \_\_\_" area at the top of Part B1 to distinguish between each transaction. When you provide the details of the transaction in Part D, the details of disposition in Part B2, as well as the additional details of disposition in Parts C, E, and F, as applicable, indicate to which transaction that information applies.

**Fields B1\*, B2 and B3\* When the transaction took place**

Enter the date (yyyy-mm-dd) and time (hh:mm:ss) of the suspicious transaction. Use a 24-hour format for time. For example, enter "15:30:00" to represent 3:30 p.m.

The time of the transaction (field B2) can be left blank if it is not available from the moment of the transaction or in your records.

The date of the transaction (field B1) is mandatory. However, if the transaction was a night deposit, and you do not provide the date, you can leave field B1 blank. In this case, make sure to indicate that it was a night deposit at field B3.

If the transaction being reported was attempted and, because of this, information for field B1 or B3 is not available, you can leave the field blank.

**Field B4 Date of posting**

Enter the date (yyyy-mm-dd) the transaction cleared, if this differs from the date of the transaction provided above. In the case of an attempted transaction, this field would not apply.

**Field B5\* Detail of funds involved in initiating transaction**

Check the appropriate box to describe the type of funds involved in initiating the transaction. For example, if your client brought in cash, "Cash in" is the type of funds, or if your client is cashing in a life insurance policy, "Negotiated life insurance policy" is the description of funds. If the selections provided do not cover the particular transaction, indicate "Other" and provide details in the field provided. For example, if annuities were involved in initiating the transaction, indicate "Other" and provide information about the type of annuity in the "Other" field.

If there was more than one type of funds, indicate only one that best represents how the transaction was initiated. Provide information about the rest of the types of funds in Part G.

If the transaction being reported was attempted and, because of this, information for field B5 is not available, you can leave the field blank.

If you are a dealer in precious metals and stones, select the type of funds in field B5 that best describes what you received in the transaction, or what you were supposed to receive in an attempted transaction. If you were buying precious metals or stones, indicate the type of funds that best describes what you bought or attempted to buy. The same would apply if you were to receive precious metals or stones from a client for a trade-in sale. If you were selling precious metals or stones to a client, indicate the type of funds based on how the client paid or attempted to pay. For example, if the client paid cash, indicate "cash in" or if the client paid by debit card or credit card, indicate "Other" and provide details in the "Other" field.

**Field B6\* Amount of transaction**

Enter the total amount of funds involved in the transaction. This is the total amount received to start the transaction. What happens as a result of that amount will be explained in Part B2 as one or more dispositions.

If this amount was not in Canadian funds, you do not have to convert it but you have to provide the currency information in field B7.

If the transaction being reported was attempted and, because of this, information for field B6 is not available, you can leave the field blank.

#### **Field B7\* Transaction currency code**

Enter the currency code applicable to the transaction, even if it was in Canadian funds. Enter CAD for Canadian dollars or USD for United States dollars. If the transaction was in another type of currency, see the list of currency codes in Appendix 1 at the end of this guideline.

If the transaction being reported was attempted and, because of this, information for field B7 is not available, you can leave the field blank.

#### **Fields B8\* and B9\* Other institution, entity or person name, number and account number (if applicable)**

These fields are for additional information about the funds described in field B5. Where applicable, in field B8, provide the name (including the institution identification number if applicable) of any other institution, entity or individual involved in the transaction. In addition, where applicable, in field B9, provide the account number of any other individual or entity involved in the disposition. If more than one other individual or institution was involved, put the information about the others in Part G.

#### **Field B10\* How was the transaction was conducted?**

Check the appropriate box to indicate how the transaction was conducted or attempted. For example, if the transaction was done through an automated banking machine, check that box. If the selections provided do not cover this particular transaction, indicate "Other" and provide details in the field provided.

If the transaction being reported was attempted and, because of this, information for field B10 is not available, you can leave the field blank.

#### **Field B11 ID number of the person initially identifying a suspicious transaction**

Enter the identification number of the individual who first identified the suspicious behaviour leading to the report. If that individual does not have an ID number, this field may be left blank.

### **Part B2: Information about how the transaction was completed**

This part is for information about how the transaction was completed (i.e., where the money went). In the case of an attempted transaction, this would include information about how it was proposed to be completed.

#### **"On behalf of" indicator**

At the top of Part B2, you have to indicate whether the individual who conducted or attempted the transaction was doing so on anyone else's behalf. You have to select one of the following for this entry:

- **Not applicable**

This means that **neither** Part E nor Part F applies to this report. "Not applicable" indicates that, to your knowledge, none of the other "On behalf of" selections is applicable to the transaction. For example, the transaction was a night deposit or a quick drop, or the disposition was not on anyone else's behalf (i.e., it was on behalf of the individual that conducted or attempted it).

- **On behalf of an entity**

This indicates that the disposition was on behalf of an entity, such as a business, a partnership, a corporation, a trust or other entity, but was **not** an employee depositing cash to his or her employer's business account. For a transaction that was conducted or attempted on behalf of an entity, complete Part E for this report to provide the information about that entity.

- **On behalf of another individual**

This indicates that the disposition was on behalf of another individual but was **not** an employee depositing cash to his or her employer's business account. For a transaction that was conducted or attempted on behalf of another individual, complete Part F to provide the information about that other individual.

- **Employee depositing cash to employer's business account**

This indicates that the disposition was an employee depositing cash to his or her employer's **business** account. If it was an employee depositing cash to his or her employer's business account, **neither** Part E nor Part F applies for this report. Do not use this indicator if the employee deposited other than cash or if the employer's account was other than a business account.

#### **More than one disposition**

There could be more than one disposition for a particular transaction. For example, your client could initiate a transaction in cash, send an electronic funds transfer (EFT) for part of it (disposition 1), order a bank draft for another part (disposition 2) and deposit the rest (disposition 3). In that case, make sure you include the information for each disposition. If you are including more than one transaction in this report, you have to complete Part B2 for all dispositions for each transaction.

If you have to include more than one disposition, complete a separate Part B2 for each one. To do this, you can copy Part B2. Fill in the "Transaction \_\_\_\_\_ Disposition \_\_\_\_\_ of \_\_\_\_\_" area at the top of Part B2 to distinguish between each disposition. If you have to include more than one transaction in this report, indicate to which transaction the disposition information applies, based on the number you assigned the transaction in Part B1. When you provide the details of disposition in Parts C, E, and F, as applicable, also indicate to which disposition and which transaction that information applies.

#### **Field B12\* Disposition of funds**

This describes what happened to the funds involved in the transaction.

If the disposition of funds was a life insurance policy purchase or deposit, check that box and provide the life insurance policy number in the appropriate field. If the selections provided do not cover this particular disposition, indicate "Other" and provide details in the appropriate field.

If the transaction being reported was an employee depositing cash to an employer's business account (as indicated by the "on behalf of" indicator at the top of Part B2), the disposition of funds in field B12 should be "deposit to an account".

If the transaction being reported was attempted and, because of this, information for field B12 is not available, you can leave the field blank.

If you are a dealer in precious metals and stones, select the disposition of funds in field B12 that best describes what you paid or sold (or what you attempted to pay or sell) to the conductor of the transaction. If you were buying precious metals or stones, select the disposition of funds that best describes how you paid or attempted to pay for them. For example, if you paid in cash, indicate "cash out" or if you paid by cheque, indicate "Other" and provide details in the "Other" field. If you were selling precious metals or stones (including a trade-in sale), select the disposition of funds that best describes what your client purchased or attempted to purchase.

#### **Field B13\* Amount of disposition**

Enter the amount of funds involved in the disposition. If the amount was not in Canadian funds, you do not have to convert it but you have to provide the currency information in field B14.

If the transaction being reported was attempted and, because of this, information for field B13 is not available, you can leave the field blank.

#### **Field B14\* Disposition currency code**

Enter the code for the currency of the disposition, even if it was in Canadian funds. Enter CAD for Canadian dollars or USD for United States dollars. If the transaction was in another type of currency, see the list of currency codes in Appendix 1 at the end of this guideline.

If the transaction being reported was attempted and, because of this, information for field B14 is not available, you can leave the field blank.

#### **Fields B15\* and B16\* Other institution, entity or person name, number and account or policy number (if applicable)**

These fields are for additional information about the disposition described in field B12. Where applicable, in field B15, provide the name (including the institution identification number if applicable) of any other institution, individual or entity involved in the disposition. In addition, where applicable, in field B16, provide the account number of any other individual or entity involved in the disposition. Also provide any policy number related to the other entity or individual in field B16, if applicable.

If more than one other individual, entity or institution was involved, put the information about the others in Part G.

#### **Part C: Account information, if the transaction involved an account**

This part is for information about the account involved in the transaction, if it in fact involved an account. In the case of an attempted transaction, this would include information about the account that was proposed to be involved.

As explained earlier, it is possible to have more than one transaction per report, and more than one disposition per transaction. Provide the account information, if applicable, for each disposition included in the report.

If you have to include account information for more than one disposition, complete a separate Part C to provide information for each account involved. To do this, you can copy Part C. Fill in the "Transaction \_\_\_\_\_ Disposition \_\_\_\_\_" area at the top of Part C to distinguish between each disposition, based on the number you assigned the disposition in Part B2.

#### **Field C1\* Branch or transit number where the account is held (if this part is applicable)**

Enter the branch number, transit number, or other appropriate identifying number of the entity where the relevant account is held, if an account is applicable to the transaction.

If the transaction being reported was attempted and, because of this, information for field C1 is not available, you can leave the field blank.

**Field C2\* Account number (if this part is applicable)**

Enter the number of the relevant account.

If the transaction being reported was attempted and, because of this, information for field C2 is not available, you can leave the field blank.

**Field C3\* Type of account (if this part is applicable)**

Indicate the type of the relevant account. For example, a business account would be one that, at the time it was opened, was for a business or for a non-profit organization, etc. (i.e., other than a personal or trust account). If the selections "personal, business or trust" do not cover this particular account, indicate "Other" and provide details in the field provided.

If the transaction being reported was an employee depositing cash to an employer's business account (as indicated by the "on behalf of" indicator at the top of Part B2), the account type in field C3 should be "business".

If the transaction being reported was attempted and, because of this, information for field C3 is not available, you can leave the field blank.

**Field C4\* Account currency code (if this part is applicable)**

Enter the code of the currency for the relevant account. Enter CAD for Canadian dollars or USD for United States dollars. If the account is in another type of currency, see the list of currency codes in Appendix 1 at the end of this guideline.

If the transaction being reported was attempted and, because of this, information for field C4 is not available, you can leave the field blank.

**Field C5\* Full name of the individual(s) or entity that hold the account (if this part is applicable)**

Enter the full name of each account holder (up to three).

This is for information about each individual or entity that holds the account. For example, in the case of a joint account for husband and wife, include the names of each spouse at field C5.

The account holder might be different from the individual(s) authorized to give instructions for the account. For example, an account for a corporation will have one or more individuals authorized to give instructions for that account. In this case, it is the name of the corporation that holds the account that is required in field C5. Information about individuals authorized to bind the entity or to act with respect to the account belongs in Part E, if applicable, in field E12.

If the transaction being reported was attempted and, because of this, information for field C5 is not available, you can leave the field blank.

**Field C6 Date opened**

Enter the date (yyyy-mm-dd) the account was opened.

**Field C7 Date closed**

Enter the date (yyyy-mm-dd) the account was closed, if applicable.

**Field C8\* Status of the account at the time the transaction was initiated (if this part is applicable)**

Indicate whether the account was active, inactive or dormant at the time the transaction was initiated.

The status of an account is determined by your policies and procedures. For example, your policy may be to assign inactive status to all accounts if there is no client activity for an account over a certain period of time, and dormant status if that inactivity is prolonged.

If you do not have such policies or procedures to assign inactive or dormant status to unused accounts, simply leave this field blank.

If the transaction being reported was attempted and, because of this, information for field C8 is not available, you can leave the field blank.

**Part D: Information about the individual conducting the transaction**

This part is for information about the individual who conducted or attempted to conduct the transaction. As explained earlier, it is possible to have more than one transaction per report. Provide this information for each transaction included in the report.

If you need to report more than one transaction, complete a separate Part D for each transaction. To do this, you can copy Part D. Fill in the "Transaction \_\_\_" area at the top of Part D to distinguish between each transaction, based on the number you assigned the transaction in Part B1.

If you are a dealer in precious metals and stones, the individual who conducted or attempted to conduct the transaction is the one from whom you were buying or to whom you were selling precious metals or stones.

**Fields D1 to D3 Individual's full name**

Enter the last name, first name and middle initial (if applicable) of the individual who conducted or attempted to conduct the transaction.

**Field D4\* Entity client number (if applicable)**

Enter the client number you issued to the individual who conducted or attempted to conduct the transaction, if applicable.

**Fields D5 to D9 Individual's full address**

Enter the civic address, town or city, province or state, country and postal code of the individual who conducted or attempted to conduct the transaction.

**Field D10 Country of residence**

Enter the country of permanent residence of the individual who conducted or attempted to conduct the transaction.

**Field D10A Country of citizenship**

Enter the country of citizenship of the individual who conducted or attempted to conduct the transaction.

**Field D11 Home telephone number**

Enter the home telephone number, including the area code, of the individual who conducted or attempted to conduct the transaction.

If the number is one from Canada or the United States, enter the area code and local number. This should be in the following format: "999-999-9999".

If the number is from outside Canada or the United States, provide the country code, city code and local number components. As each of those components can vary in length, use a dash (-) to separate each one. For example, "99-999-9999-9999" would indicate a two-digit country code, a three-digit city code and an eight digit local number.

**Field D12 Individual's identifier**

Check the appropriate box to show the document used to identify the individual who conducted or attempted to conduct the transaction.

You can refer to an individual's provincial health card, provided there is no provincial or territorial legislation preventing you from using or requesting it.

If the selections provided do not cover the identifier used, indicate "Other" and provide details in the field provided.

Please note that although a Social Insurance Number (SIN) card can be used for identification purposes for transactions such as the opening of an account, the SIN (i.e., the number) should not be provided on this form. If you used a SIN card and no other identifying document for the individual, indicate **SIN card** in the "Other" area of field D12, but do not provide the number in field D13.

**Field D13 ID Number**

Enter the number of the document described in field D12 that was used to identify the individual who conducted or attempted to conduct the transaction. Remember that a health card number is not acceptable for this purpose in some provinces. Furthermore, as explained above, a SIN should not be provided on this form. If the identifier document in field D12 (and D12A) is a SIN card, enter "N/A" in field D13 to indicate the number is not applicable.

**Fields D14 and D15 Place of issue of individual's identifier**

Enter the province or state and country of issue of the document used to identify the individual who conducted or attempted to conduct the transaction. If the document was issued nationally and there was no province or state included in the place of issue, leave the province or state field blank.

**Field D16 Individual's date of birth**

Enter the date (yyyy-mm-dd) of birth of the individual who conducted or attempted to conduct the transaction.

**Field D17 Individual's occupation**

Enter the occupation of the individual who conducted or attempted to conduct the transaction.

Be as descriptive as possible regarding occupation. Provide information that clearly describes it, rather than use a general term. For example, in the case of a consultant, the occupation should reflect the area of consulting, such as "IT consultant" or "consulting forester". As another example, in the case of a professional, the occupation should reflect the nature of the work, such as "petroleum engineer" or "family physician".

If the individual is not employed or engaged in any type of business or profession, provide information that best describes their situation, such as "student", "unemployed", "retired", etc.

**Field D18 Individual's business telephone number**

Enter the business telephone number, including the area code, of the individual who conducted or attempted to conduct the transaction. Include the extension if applicable at field D18A.

If the number is one from Canada or the United States, enter the area code and local number. This should be in the following format: "999-999-9999".

If the number is from outside Canada or the United States, provide the country code, city code and local number components. As each of those components can vary in length, use a dash (-) to separate each one. For example, "99-999-9999-9999" would indicate a two-digit country code, a three-digit city code and an eight digit local number.

**Field D19 Individual's employer**

Enter the name of the entity or individual who is the employer of the individual who conducted or attempted to conduct the transaction.

**Fields D20 to D24 Employer's business address**

Enter the civic address, town or city, province or state, country and postal code of the employer of the individual who conducted or attempted to conduct the transaction.

**Field D25 Employer's business telephone number**

Enter the business telephone number, including the area code, of the employer of the individual who conducted or attempted to conduct the transaction. Include the extension if applicable at field D25A.

If the number is one from Canada or the United States, enter the area code and local number. This should be in the following format: "999-999-9999".

If the number is from outside Canada or the United States, provide the country code, city code and local number components. As each of those components can vary in length, use a dash (-) to separate each one. For example, "99-999-9999-9999" would indicate a two-digit country code, a three-digit city code and an eight digit local number.

**Part E: Information about the entity on whose behalf the transaction was conducted (if applicable)**

This part only applies if the transaction's disposition was conducted or attempted on behalf of a third party that is an entity, as indicated in Part B2. If an employee deposited cash in his or her employer's business account, Part E does not apply.

Complete a separate Part E for each disposition that was conducted or attempted on behalf of a business, corporation or other entity. To do this, you can copy Part E. Fill in the "Transaction \_\_\_\_ Disposition \_\_\_\_" area at the top of Part E to distinguish between each disposition, based on the number you assigned the disposition in Part B2.

**Field E1 Name of corporation, trust or other entity**

Enter the full name of the business, corporation, trust or other entity on whose behalf the transaction was conducted or attempted.

**Field E2 Type of business**

Describe the type of business or entity on whose behalf the transaction was conducted or attempted.

**Fields E3 to E7 Full address of business or corporation**

Enter the civic address, town or city, province or state, country and postal code of the business, corporation or other entity on whose behalf the transaction was conducted or attempted.

**Field E8 Business telephone number**

Enter the telephone number, including the area code, of the business, corporation or other entity on whose behalf the transaction was conducted or attempted. Include the extension, if applicable, at field E8A.

If the number is one from Canada or the United States, enter the area code and local number. This should be in the following format: "999-999-9999".

If the number is from outside Canada or the United States, provide the country code, city code and local number components. As each of those components can vary in length, use a dash (-) to separate each one. For example, "99-999-9999-9999" would indicate a two-digit country code, a three-digit city code and an eight digit local number.

**Fields E9 to E11 Incorporation information**

If the transaction was conducted or attempted on behalf of an entity that is a corporation, provide the incorporation number. Also provide the province or state and country of the incorporation number's place of issue. If an incorporation number does not exist for the corporation, enter "N/A" in fields E9, E10 and E11. If the incorporation number was issued nationally and there was no province or state included in the place of issue, leave the province or state field blank.

**Field E12 Individual(s) authorized to bind the entity or act with respect to the account (up to three)**

Provide the names of up to three individuals who have authority to conduct transactions through the account.

**Part F: Information about the individual on whose behalf the transaction was conducted (if applicable)**

This part only applies when the transaction's disposition was conducted or attempted on behalf of a third party that is an individual, as indicated in Part B2.

If the individual conducted or attempted the transaction's disposition on his or her own behalf, this Part does not apply. In that case, information about the individual should be put in Part D.

If an employee deposited cash in his or her employer's business account, Part F does not apply. If the transaction's disposition was conducted or attempted on behalf of a business, corporation or other entity, Part E should be completed.

Complete a separate Part F for each disposition that was conducted or attempted on behalf of an individual. To do this, you can copy Part F, fill in the "Transaction \_\_\_\_\_ Disposition \_\_\_\_\_" area at the top of Part F to distinguish between each disposition, based on the number you assigned the disposition in Part B2.

**Fields F1 to F3 Individual's full name**

Enter the last name, first name and middle initial (if applicable) of the individual on whose behalf the transaction was conducted or attempted.

**Fields F4 to F8 Individual's full address**

Enter the civic address, town or city, province or state, country and postal code of the individual on whose behalf the transaction was conducted or attempted.

**Field F9 Home telephone number**

Enter the home telephone number, including the area code, of the individual on whose behalf the transaction was conducted or attempted.

If the number is one from Canada or the United States, enter the area code and local number. This should be in the following format: "999-999-9999".

If the number is from outside Canada or the United States, provide the country code, city code and local number components. As each of those components can vary in length, use a dash (-) to separate each one. For example, "99-999-9999-9999" would indicate a two-digit country code, a three-digit city code and an eight digit local number.

**Field F10 Business telephone number**

Enter the business telephone number, including the area code, of the individual on whose behalf the transaction was conducted or attempted. Include the extension if applicable in field F10A.

If the number is one from Canada or the United States, enter the area code and local number. This should be in the following format: "999-999-9999".

If the number is from outside Canada or the United States, provide the country code, city code and local number components. As each of those components can vary in length, use a dash (-) to separate each one. For example, "99-999-9999-9999" would indicate a two-digit country code, a three-digit city code and an eight digit local number.

**Field F11 Individual's date of birth**

Enter the date of birth (yyyy-mm-dd) of the individual on whose behalf the transaction was conducted or attempted.

**Field F12 Individual's identifier**

Check the appropriate box to show the document used to identify the individual on whose behalf the transaction was conducted or attempted.

You can refer to an individual's provincial health card, provided there is no provincial or territorial legislation preventing you from using or requesting it.

If the selections provided do not cover the identifier used, indicate "Other" and provide details in the field provided.

Please note that although a Social Insurance Number (SIN) card can be used for identification purposes for transactions such as the opening of an account, the SIN (i.e., the number) should not be provided on this form. If you used a SIN card and no other identifying document for the individual, indicate **SIN card** in the "Other" area of field F12, but do not provide the number in field F13.

**Field F13 ID number**

Enter the number of the document described in field F12 that was used to identify the individual on behalf of whom the transaction was conducted or attempted. Remember that a health card number is not acceptable for this purpose in some provinces. Furthermore, as explained above, a SIN should not be provided on this form. If the identifier document in field F12 (and F12A) is a SIN card, enter "N/A" in field F13 to indicate the number is not applicable.

**Field F14 Country of residence**

Enter the country of permanent residence of the individual on whose behalf the transaction was conducted or attempted.

**Field F14A Country of citizenship**

Enter the country of citizenship of the individual on whose behalf the transaction was conducted or attempted.

**Fields F15 and F16 Place of issue**

Enter the province or state and country of issue of the document used to identify the individual on whose behalf the transaction was conducted or attempted. If the document was issued nationally and there was no province or state included in the place of issue, leave the province or state field blank.

**Field F17 Individual's occupation**

Enter the occupation of the individual on whose behalf the transaction was conducted or attempted.

Be as descriptive as possible regarding occupation. Provide information that clearly describes it, rather than use a general term. For example, in the case of a consultant, the occupation should reflect the area of consulting, such as "IT consultant" or "consulting forester". As another example, in the case of a professional, the occupation should reflect the nature of the work, such as "petroleum engineer" or "family physician".

If the individual is not employed or engaged in any type of business or profession, provide information that best describes their situation, such as "student", "unemployed", "retired", etc.

**Field F18 Individual's employer**

Enter the name of the entity or individual who is the employer of the individual on whose behalf the transaction was conducted or attempted.

**Fields F19 to F23 Employer's business address**

Enter the civic address, town or city, province or state, country and postal code of the employer of the individual on whose behalf the transaction was conducted or attempted.

**Field F24 Employer's business telephone number**

Enter the business telephone number, including the area code, of the employer of the individual on whose behalf the transaction was conducted or attempted. Include the extension if applicable in field F24A.

If the number is one from Canada or the United States, enter the area code and local number. This should be in the following format: "999-999-9999".

If the number is from outside Canada or the United States, provide the country code, city code and local number components. As each of those components can vary in length, use a dash (-) to separate each one. For example, "99-999-9999-9999" would indicate a two-digit country code, a three-digit city code and an eight digit local number.

**Field F25 Relationship of the individual named in Part D to the individual named above**

Check the appropriate box to indicate the relationship of the individual conducting or attempting the transaction to the individual on whose behalf the transaction was conducted or attempted.

If the selections provided do not cover the relationship, indicate "Other" and provide details in the appropriate field.

**Part G: Description of Suspicious Activity**

This Part is to provide details of why you suspected that the transaction or the series of transactions were related to money laundering or terrorist financing.

**Field G1\* Description of suspicious activity**

This section explains what led you to believe there was something suspicious about the transaction. The more information that you provide to explain the basis of your suspicion, the more valuable your report will be. The ideal response would clearly and completely describe all of the factors or unusual circumstances which led you to a suspicion of money laundering or terrorist financing, and would provide as many relevant details as possible to support this determination.

Do not leave information about the description of suspicious activity out of your report by referring to any other files or documents. FINTRAC will not have access to that information unless you provide the details in your report.

If this report is about one or more transactions that were attempted, also describe why each one was not completed.

**Part H: Action Taken (if applicable)**

This Part is for you to describe what action, if any, was taken by you, as a result of the suspicious transaction.

**Field H1\* Action taken (if this part is applicable)**

Identify whether you have taken or will take any action as a result of the suspicious transaction, in addition to reporting to FINTRAC. For example, if you are also making a report to a law enforcement agency, indicate this in Part H.

## CHAPTER 19

# Appendix M— Terrorist Property Form

This form is reproduced with permission from the Financial Transactions and Reports Analysis Centre of Canada and was up-to-date at the time of printing. As this form may change, we recommend you check the website to ensure you are using the latest version.

Source: [www.fintrac-canafe.gc.ca/publications/TPR-2008-eng.pdf](http://www.fintrac-canafe.gc.ca/publications/TPR-2008-eng.pdf)

Financial Transactions and  
Reports Analysis Centre of CanadaCentre d'analyse des opérations  
et déclarations financières du Canada

## Terrorist Property Report

Send completed form by mail: FINTRAC, Section A, 234 Laurier Avenue West, 24th Floor, Ottawa, Ontario K1P 1H7  
 or send completed form by fax: 1-866-226-2346

Use this form if you are a reporting person or entity and you have property in your possession or control that you know is owned or controlled by or on behalf of a terrorist or a terrorist group or you believe that the property is owned or controlled by or on behalf of a listed person.

A terrorist or a terrorist group includes anyone that has as one of their purposes or activities facilitating or carrying out any terrorist activity. A listed person means anyone listed in the *Regulations Implementing the United Nations Resolutions on the Suppression of Terrorism*. A terrorist group or a listed person can be an individual, a corporation, a group, a trust, a partnership or a fund. It can also be an unincorporated association or organization.

For more information about who is considered a reporting person or entity and for instructions on how to complete this form, see *Guideline 5: Submitting Terrorist Property Reports to FINTRAC* or call FINTRAC's toll-free enquires line at 1-866-346-8722.

**This report CANNOT presently be submitted electronically.**

Is this Report a correction to a Report previously submitted?

NO

YES

- Enter the original Report's Date and Time

Date **2 | 0 |** MONTH DAY TIME HOUR MINUTE

- COMPLETE PART A – whether the information has changed or not
- Provide the new information ONLY for the affected fields in Part B through Part H
- If removing information from a field, strike a line through the field

**REPORTING DATE** **2 | 0 |** MONTH DAY

**TIME** HOUR MINUTE

All fields of the report marked with an asterisk (\*) must be completed. The ones that are also marked "where applicable" must be completed if they are applicable to you or the property or transaction being reported. For all other fields, you have to make reasonable efforts to get the information.

### PART A — Information about the person or entity filing this report

1. Reporting person or entity's identifier number \* (where applicable)

2. Reporting person or entity's full name \*

3. Street address \*

4. City \*

5. Province \*

6. Postal code \*

Whom can FINTRAC contact about this report?

7. Contact – Surname \*

8. Contact – Given name \*

9. Contact – Initial/Other

10. Contact – Phone number (with area code) \*

10A. Contact – Phone extension number

11. Which of following types of reporting persons or entities best describes you? \*

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Accountant                                  | <input type="checkbox"/> Casino                         |
| <input checked="" type="checkbox"/> Bank  | <input type="checkbox"/> Co-op credit society           |
| <input checked="" type="checkbox"/> Caisse populaire                            | <input type="checkbox"/> Credit union                   |
| <input checked="" type="checkbox"/> Crown agent<br>(sells/redeems money orders) | <input type="checkbox"/> Life insurance broker or agent |
|   | <input type="checkbox"/> Life insurance company         |

- |   |
|---|
| <input type="checkbox"/> Money services business                    |
| <input type="checkbox"/> Provincial savings office                  |
| <input type="checkbox"/> Real estate broker or sales representative |
| <input type="checkbox"/> Securities dealer                          |
| <input type="checkbox"/> Trust and loan company                     |

- |   |
|---|
| <input type="checkbox"/> Dealer in precious metals and stones (effective December 30, 2008)                     |
| <input type="checkbox"/> Public notary and notary corporation of British Columbia (effective December 30, 2008) |
| <input type="checkbox"/> Real estate developer (effective February 20, 2009)                                    |

**NOTE: Please copy this page for each additional, related, suspicious transaction (if required).**

Transaction  of

### PART B — Reason for filing this report

1. Please describe clearly and completely what led you to file this report about terrorist property.\*  
 Provide as many details as possible to explain how you came to be in possession or control of the property.  
 If there is not enough room on the form, attach a separate sheet to provide all the relevant information.  
 Make sure to indicate that this information belongs in field 1 of Part B.

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2. Provide as many details as possible about how you know this property is owned or controlled by or on behalf of a terrorist or a terrorist group or about how you believe that this property is owned or controlled by or on behalf of a listed person.

Also include details of what other action you have taken regarding the property, in addition to sending this report to FINTRAC.  
 If there is not enough room on the form, attach a separate sheet to provide all the relevant information. Make sure to indicate that this information belongs in field 2 of Part B.

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*Note: You must disclose this property's existence to the Royal Canadian Mounted Police and the Canadian Security Intelligence Service, along with any information about a transaction or proposed transaction for that property. See Guideline 5: Submitting Terrorist Property Reports to FINTRAC for more information.*

### Information about the terrorist, terrorist group or listed entity

Name of terrorist group, listed person or individual that owns or controls the property (or that the property is owned or controlled on behalf of). If it is an entity, complete field 3. If it is an individual, complete fields 3A-B-C.

3. Full name of terrorist group or listed person

---

3A. Surname of terrorist or listed person

3B. Given name of terrorist or listed person

3C. Other/Initial

---

4. Street address

---

5. City

---

6. Province or State

7. Country

---

8. Postal or Zip code

---

9. Phone number (with area code)

9A. Phone extension number

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### Information about anyone who owns or controls the property on behalf of the terrorist or listed person above (where applicable)

Name of entity or individual that owns or controls the property on behalf of the terrorist or listed person named in field 3 or fields 3A-B-C (above). If it is an entity, complete field 10. If it is an individual, complete fields 10A-B-C

10. Full name of terrorist group or listed person

---

10A. Surname of individual

10B. Given name

10C. Other/Initial

---

11. Street address

---

12. City

---

13. Province or State

14. Country

---

15. Postal or Zip code

---

16. Phone number (with area code)

16A. Phone extension number

---

Terrorist Property Report



**NOTE: Please copy this page for each additional property (if applicable).**

Property  of

**PART C — Information about the property**

1. Type of property\*

<input checked="" type="checkbox"/> <b>A Cash</b>	Indicate the type of currency in property identifier (field 2) below. Indicate the actual or approximate value of the cash in field 4 below and provide the currency code applicable in field 4A. Provide any additional information about the cash in the description of property (field 5) below.
<input checked="" type="checkbox"/> <b>B Bank account</b>	Indicate the name of the financial institution in property identifier (field 2) below. Indicate the actual or approximate value in field 4 (below) and provide the currency code applicable in field 4A. Provide the account number(s) and other account information in Part D. If you need to provide any additional information about the account, you can use the description of property (field 5) below.
<input checked="" type="checkbox"/> <b>C Insurance policy</b>	Indicate the name of the insurance policy issuer in property identifier (field 2) below, and policy number(s) in property identifier number (field 3) below. Indicate the actual or approximate value in field 4 below and provide the currency code applicable in field 4A. Provide any additional information about the insurance policy in the description of property (field 5) below, such as the names of beneficiaries, etc.
<input checked="" type="checkbox"/> <b>D Money order</b>	Indicate the name of issuer in property identifier (field 2) below, and any number(s) in property identifier number (field 3) below. Indicate the actual or approximate value in field 4 (below) and provide the currency code applicable in field 4A. Provide any additional information about the money order in the description of property (field 5) below, such as the name of the bearer, etc.
<input checked="" type="checkbox"/> <b>E Real estate</b>	Indicate the type of real estate (such as single family home, condo, commercial, land only, etc.) in property identifier (field 2) below. Indicate the actual or approximate value in field 4 (below) and provide the currency code applicable in field 4A. Provide any additional information about the real estate in the description of property (field 5) below, such as the municipal address and name of registered owner, and description of the property.
<input checked="" type="checkbox"/> <b>F Securities</b>	Indicate the name of the securities issuer in property identifier (field 2) below, and any securities number(s) in property identifier number (field 3) below. Indicate the actual or approximate value in field 4 (below) and provide the currency code applicable in field 4A. Provide any additional information about the type of securities (such as stocks, bonds, mutual funds, etc.) in the description of property (field 5) below. If the property involves an account, complete Part D to provide information about the account.
<input checked="" type="checkbox"/> <b>G Traveller's cheques</b>	Indicate name of issuer of the traveller's cheques in property identifier (field 2) below, and any number(s) in property identifier number (field 3) below. Indicate the actual or approximate value in field 4 (below) and provide the currency code applicable in field 4A. Provide any additional information about the traveller's cheques in the description of property (field 5) below, such as the currency, name of the bearer, etc.
<input checked="" type="checkbox"/> <b>H Other</b>	<p>DESCRIPTION (OTHER)</p> <p>For example, this could include the commercial assets of a business or partnership. Indicate property identifier (field 2) below, and property identifier number (field 3) below. Indicate the actual or approximate value in field 4 (below) and provide the currency code applicable in field 4A. Provide any additional information about the property in the description of property (field 5) below. If the property involves an account, complete Part D to provide information about the account.</p>

2. Property identifier (see instructions above for type of property)

If there is not enough room to provide all the property identifier information for this property, attach a separate sheet to provide all the relevant information.  
Make sure to indicate that this information belongs in field 2 of Part C.

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3. Property identifier number (see instructions above for type of property)

If there is not enough room to provide all the property identifier numbers for this property, attach a separate sheet to provide them all.  
Make sure to indicate that this information belongs in field 3 of Part C.

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4. Property value (actual or approximate)\*

4A. Currency code. Enter CAD if Canadian dollars or USD for United States dollars.  
If another type of currency is involved, see Appendix 1 in *Guideline 3: Submitting Reports to FINTRAC*.

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5. Description of property

If there is not enough room to provide all the information to describe this property, attach a separate sheet to provide all the details.  
Make sure to indicate that this information belongs in field 5 of Part C.

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**NOTE: Please copy this page for each additional account (if applicable).**

**PART D — Account information (if property involves an account)**

Property  Account  of

1. Branch or transit number \* (where applicable)      2. Account number \* (where applicable)

\_\_\_\_\_

3. Type of account \* (where applicable)

A Personal     B Business     C Trust     D Other

DESCRIPTION (OTHER)

4. Currency code \* (where applicable) Enter CAD if Canadian dollars or USD for United States dollars. If another type of currency is involved, see Appendix 1 in *Guideline 3: Submitting Reports to FINTRAC*.

\_\_\_\_\_

5. Full name of each account holder \* (where applicable)

A \_\_\_\_\_

B \_\_\_\_\_

C \_\_\_\_\_

6. Date opened

7. Date closed

YEAR    MONTH    DAY      YEAR    MONTH    DAY

YEAR    MONTH    DAY

2 0

8. Status of the account \* (if there was a transaction or a proposed transaction, please provide the status at the time the transaction was initiated or proposed.)

A Active     B Inactive     C Dormant



**NOTE: Please copy this page for each additional, related transaction or proposed transaction (if required).**

**PART E1 — Information about any transaction or proposed transaction (where applicable)**

**Property**  **Transaction**  of

If there was a transaction related to the property, indicate how it was initiated, i.e., where the money came from. If there was a proposed transaction related to the property, indicate how it was proposed to be initiated. If there was no transaction related to the property, do not complete this Part, or Parts E2, F, G or H.

1. Date of transaction * (where applicable)	2. Time of transaction	4. Date of posting (if different from date of transaction)
 <b>or</b> 		
3. Night deposit indicator * (where applicable)		

5. Type of funds or other property involved in initiating the transaction \* (where applicable)

<input checked="" type="checkbox"/> Cash	<input type="checkbox"/> Jewellery	<input type="checkbox"/> Negotiated life insurance policy	<input type="checkbox"/> Negotiated traveller's cheques	<input type="checkbox"/> Precious stones (excluding diamonds)	<input type="checkbox"/> Redeemed casino chips
<input checked="" type="checkbox"/> Diamonds	<input type="checkbox"/> Negotiated bank draft	<input type="checkbox"/> Negotiated money order	<input type="checkbox"/> Precious metals	<input type="checkbox"/> Real estate	<input type="checkbox"/> Withdrawal from account
<input checked="" type="checkbox"/> Incoming electronic funds transfer	<input type="checkbox"/> Negotiated cheque	<input type="checkbox"/> Negotiated securities	<input type="checkbox"/> Other	DESCRIPTION (OTHER)	

6. Amount of transaction\* (where applicable)

A horizontal scale bar consisting of a thick black L-shaped bracket with a vertical line extending downwards from its top-left corner.

7. Currency code \* (where applicable) Enter CAD if Canadian dollars or USD for United States dollars. If another type of currency is involved, see Appendix 1 in *Guideline 3: Submitting Reports to FINTRAC*.

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**Additional information about the funds described in field 5 above.**

8. Other institution, entity or person name and number \* (where applicable)

For more information about the study, please contact Dr. John Smith at (555) 123-4567 or via email at [john.smith@researchinstitute.org](mailto:john.smith@researchinstitute.org).

9. Other institution, entity or person account number \* (where applicable)

A horizontal scale bar consisting of a U-shaped bracket with vertical tick marks and a horizontal line extending from the right end.

10. How was the transaction conducted? \* (where applicable)

In-branch/Office/Store     Armoured car     Mail deposit     Other     DESCRIPTION (OTHER)

11. ID number of the individual initially identifying a transaction for property described in Part C



**NOTE: Please copy this page for each additional, related, disposition (per transaction) (if required).**

**PART E2 — Information about the transaction or proposed transaction disposition(s) (where applicable)**

Property  Transaction  Disposition  of

If there was a transaction related to the property, indicate how it was completed, i.e., where the money went. If there was a proposed transaction related to the property, indicate how it was proposed to be completed. If there was no transaction related to the property, do not complete this Part, or Parts E1, F, G or H.

Indicate on whose behalf this transaction was conducted.

- |                      |  |  |
|----------------------|--|--|
| <b>On behalf of:</b> | <input type="checkbox"/> <b>The individual who conducted the transaction</b><br>(described in PART F)                  | <input type="checkbox"/> <b>An entity (other than an individual)</b><br>(also complete PART G) |
|                      | <input type="checkbox"/> <b>Another individual (besides the individual who conducted it)</b><br>(also complete PART H) |  |

12. Disposition of funds — how the transaction was completed \* (where applicable)

<input type="checkbox"/> A Cash out	<input type="checkbox"/> E Outgoing electronic funds transfer	<input type="checkbox"/> H Purchase of diamonds	<input type="checkbox"/> K Purchase of precious stones (excluding diamonds)	<input type="checkbox"/> N Real estate purchase/deposit
<input type="checkbox"/> B Currency exchange	<input type="checkbox"/> F Purchase of bank draft	<input type="checkbox"/> I Purchase of jewellery	<input type="checkbox"/> L Purchase of money order	<input type="checkbox"/> O Securities purchase/deposit
<input type="checkbox"/> C Deposit to an account	<input type="checkbox"/> G Purchase of casino chips	<input type="checkbox"/> J Purchase of precious metals	<input type="checkbox"/> M Purchase of traveller's cheques	
<input type="checkbox"/> D Life insurance policy purchase/deposit			<input type="checkbox"/> Other	

POLICY NUMBER \_\_\_\_\_ DESCRIPTION (OTHER) \_\_\_\_\_

13. Amount of disposition \* (where applicable)

\_\_\_\_\_

14. Currency code \* (where applicable) Enter CAD if Canadian dollars or USD for United States dollars. If another type of currency is involved, see Appendix 1 in *Guideline 3: Submitting Reports to FINTRAC*.

\_\_\_\_\_

**Additional information about the funds described in field 12 above**

15. Other institution, entity or person name and number \* (where applicable)

\_\_\_\_\_

16. Account number or policy number of other institution, entity or person \* (where applicable)

\_\_\_\_\_



**NOTE: Please copy this page for each additional transaction (if applicable).**

**PART F — Information about the individual who conducted or proposed to conduct transaction(s) (where applicable)**

**Property**  **Transaction**

1. Surname	2. Given name	3. Other/Initial	
<hr/>			
1A. Alias Surname	2A. Alias Given name	3A. Alias Other/Initial	
<hr/>			
4. Client number assigned by reporting person or entity (where applicable)			
<hr/>			
5. Street address			
<hr/>			
6. City			
<hr/>			
7. Province or State	8. Country		
<hr/>			
9. Postal or Zip code			
<hr/>			
10. Country of residence			
<hr/>			
11. Home phone number (with area code)			
<hr/>			
12. Individual's identifier			
<input checked="" type="checkbox"/> A Driver's licence <input type="checkbox"/> B Birth certificate <input type="checkbox"/> C Provincial health card <input type="checkbox"/> D Passport <input type="checkbox"/> E Record of Landing or Permanent resident card <input checked="" type="checkbox"/> F Other <small>DESCRIPTION (OTHER)</small>			
<hr/>			
13. ID number (from question 12)	13A. Citizenship		
<hr/>	<hr/>		
14. Place of issue Province or State	15. Place of issue Country		
<hr/>	<hr/>		
16. Individual's date of birth			
<hr/>	YEAR	MONTH	DAY
17. Individual's occupation			
<hr/>			
18. Individual's business phone number (with area code)	18A. Phone extension number		
<hr/>	<hr/>		
19. Individual's employer			
<hr/>			
20. Employer's street address			
<hr/>			
21. Employer's city			
<hr/>			
22. Employer's province or state	23. Employer's country		
<hr/>			
24. Postal or Zip code			
<hr/>			
25. Employer's business phone number (with area code)	25A. Phone extension number		
<hr/>			

Terrorist Property Report



**NOTE: Please copy this page for each additional disposition (if required).**

**Property  Transaction  Disposition**

**PART G — Information about the entity on whose behalf transaction was conducted or proposed to be conducted (where applicable)**

1. Name of corporation, trust or other entity

2. Type of business

3. Street address

4. City

5. Province or State

6. Country

7. Postal or Zip code

8. Business phone number (with area code)

8A. Phone extension number

9. Incorporation number (where applicable)

10. Place of issue Province or State

11. Place of issue Country

12. Individual(s) authorized with respect to the account (up to three (3))  
 A   
 B   
 C

**NOTE: Please copy this page for each additional disposition (if required).**

**Property  Transaction  Disposition**

**PART H — Information about the individual on whose behalf transaction was conducted or proposed to be conducted (where applicable)**

1. Surname \_\_\_\_\_ 2. Given name \_\_\_\_\_ 3. Other/Initial \_\_\_\_\_

1A. Alias Surname \_\_\_\_\_

2A. Alias Given name \_\_\_\_\_

3A. Alias Other/Initial \_\_\_\_\_

4. Street address \_\_\_\_\_

5. City \_\_\_\_\_

6. Province or State \_\_\_\_\_

7. Country \_\_\_\_\_

8. Postal or Zip code \_\_\_\_\_

9. Home phone number (with area code) \_\_\_\_\_

10. Office phone number (with area code) \_\_\_\_\_

10A. Phone extension number \_\_\_\_\_

11. Individual's date of birth  
YEAR      MONTH      DAY

12. Individual's identifier

<input type="checkbox"/> A Driver's licence	<input type="checkbox"/> B Birth certificate	<input type="checkbox"/> C Provincial health card	<input type="checkbox"/> D Passport	<input type="checkbox"/> E Record of Landing or Permanent resident card
<input type="checkbox"/> F Other	DESCRIPTION (OTHER) _____			

13. ID number (from question 12) \_\_\_\_\_

14. Place of issue Province or State \_\_\_\_\_

15. Place of issue Country \_\_\_\_\_

16. Country of residence \_\_\_\_\_

16A. Citizenship \_\_\_\_\_

17. Individual's occupation \_\_\_\_\_

18. Individual's employer \_\_\_\_\_

19. Employer's street address \_\_\_\_\_

20. Employer's city \_\_\_\_\_

21. Employer's province or state \_\_\_\_\_

22. Employer's country \_\_\_\_\_

23. Postal or Zip code \_\_\_\_\_

24. Employer's business phone number (with area code) \_\_\_\_\_

24A. Phone extension number \_\_\_\_\_

25. Relationship of the individual named in Part F to the individual named above (fields 1 to 3)

<input type="checkbox"/> A Accountant	<input type="checkbox"/> B Agent	<input type="checkbox"/> C Legal counsel	<input type="checkbox"/> D Borrower	<input type="checkbox"/> E Broker
<input type="checkbox"/> F Customer	<input type="checkbox"/> G Employee	<input type="checkbox"/> H Friend	<input type="checkbox"/> I Relative	<input type="checkbox"/> J Other
DESCRIPTION (OTHER) _____				

The information on this form is collected under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (the Act). It will be used for analytical purposes and may also be used for the purposes of ensuring compliance with the Act. Any personal information is protected under the provisions of the *Privacy Act*. For more information, consult the Financial Transactions and Reports Analysis Centre of Canada chapter in the *Sources of Federal Government Information* publication, available on the Government of Canada Info Source Web site (<http://www.infosource.gc.ca>).

Terrorist Property Report

Source: [www.fintrac-canafe.gc.ca/publications/guide/Guide5/5-eng.asp#s55](http://www.fintrac-canafe.gc.ca/publications/guide/Guide5/5-eng.asp#s55)

## 5. Instructions for Completing a Terrorist Property Report

The fields in this section refer to the numbered areas on the *Terrorist Property Report* form. As explained in subsection 3.3, these reports can only be completed and sent to FINTRAC on paper. There is no mechanism to report electronically.

Fields of this report are either mandatory, mandatory where applicable, or require "reasonable efforts" to complete, as follows:

- **Mandatory:** All fields of the report marked with an asterisk (\*) **have to be completed**.
- **Mandatory where applicable:** The fields have both an asterisk and "where applicable" next to them have to be completed if they are applicable to you or to the property or the transaction or proposed transaction being reported.
- **Reasonable efforts:** For all other fields that do not have an asterisk, you have to make reasonable efforts to get the information. "Reasonable efforts" means that you tried to get the information requested on the report. If the information is available to you, you must provide it in the report. In the case of a transaction or a proposed transaction, if the information is not contained in your files or records, and it was not available at the time of the transaction, the field may be left blank.

Enter the date and time when you begin completing the report at the top of the form. If you have to file a correction to a report on paper, follow the instructions on the first page of the form. If you need to get a paper form, see section 3.

There are eight parts on the *Terrorist Property Report* form, but some are only to be completed if applicable. To make a terrorist property report, follow the following four steps:

- Step 1 - Complete Part A to provide information about you as the reporting entity.
- Step 2 - Complete Part B to provide details about the terrorist, terrorist group or listed person, and anyone who owns or controls the property on their behalf. Part B is also for you to explain what led you to file the report, as well as how you came to know that the property is owned or controlled by or on behalf of a terrorist or terrorist group or how you came to believe that the property is owned or controlled by or on behalf of a listed person.
- Step 3 - Complete Part C to provide details about the property. If the property involves an account, also complete Part D. If there were no transactions or proposed transactions related to the property, do not complete the rest of the report.
- Step 4 - If there was a transaction relating to the property, complete Parts E1 and E2 to provide information about how the transaction was initiated and completed. Provide the same information if there was a proposed transaction relating to the property. Complete Part F to provide information about the individual who conducted or proposed to conduct the transaction. If the transaction or proposed transaction was on behalf of an entity (such as a corporation or trust), also complete Part G or, if it was on behalf of an individual, complete Part H.

The rest of this section will cover each part of the *Terrorist Property Report* form.

### Part A: Information about the person or entity filing this report

This part is for information about you, the reporting person or entity creating the report. If you have multiple branch or office locations, the information in this Part should be about the branch or office location where you possess or control the property.

#### Field 1\* Reporting person or entity's identifier number (where applicable)

This is your institution or licence number, or other identification number as outlined below. If you have several branch locations, the identification number should refer to the branch or office where you possess or control the property.

- If you are an **accountant**, enter your provincial chartered accountant (CA), provincial certified management accountant (CMA), or provincial certified general accountant (CGA) number.
- If you are a **bank, caisse populaire, cooperative credit society or credit union**, enter your financial institution number issued by the Canadian Payments Association (CPA).
- If you are an **agent of the Crown that sells or redeems money orders**, enter your post office number.
- If you are a **life insurance broker or agent**, enter your provincial broker or agent licence number.
- If you are a **federally regulated life insurance company**, enter your institution code issued by the Office of the Superintendent of Financial Institutions (OSFI).
- If you are a **life insurance company that is not federally regulated**, enter your provincial licence number.
- If you are a **provincial savings office**, enter your financial institution number issued by the CPA.
- If you are a **real estate broker or sales representative**, enter your provincial broker number.
- If you are a **securities dealer**, enter your provincial dealer licence number.
- If you are a **trust and loan company**, enter your financial institution number issued by the CPA.
- If you are a **provincial trust and loan** that is not a member of the CPA, enter your registration number.
- If you are a **money services business**, enter your money services business registration number issued by FINTRAC.
- If you are a **dealer in precious metals and stones**, leave this field blank.
- If you are a **British Columbia public notary**, enter your membership number. If you are a **notary corporation of British Columbia**, enter your permit number.
- If you are a **real estate developer**, enter your provincial licence number if you have one. Otherwise, leave this field blank.

If there was a transaction or a proposed transaction relating to the property at a different location from where you possess or control the property, provide the details about that other location in field 1 of Part B.

**Field 2\* Reporting person or entity's full name**

Enter the full legal name of your business or corporation. If you do not have a business name (for example, you are an individual), enter your full name.

**Fields 3\* to 6\* Reporting person or entity's full address**

Enter your civic address, town or city, province and postal code. If you have more than one location, this information should be about where the property is possessed or controlled.

**Fields 7\*, 8\* and 9 Contact name**

Enter the name of the individual FINTRAC can contact for clarification about this report.

**Field 10\* Contact telephone number**

Enter the telephone number, including the area code, of the individual named in fields 7 to 9 (above). Include the extension if applicable at field 10A.

**Field 11\* Type of reporting person or entity**

Enter the type of activity that best describes you. If you are involved in more than one activity type, indicate the one applicable to the property being reported. If there is more than one activity for one or more properties on the report, check only one box to indicate your principal type of activity, and provide additional details in Part B, field 1.

**Part B: Reason for filing this report**

This part is to provide details of why you are filing a report about property in your possession or control. You have to explain how you came to know or believe that the property is owned or controlled by or on behalf of a terrorist, terrorist group or listed person. This part is also for you to provide information about the terrorist, terrorist group or listed person and anyone (besides you) who possesses or controls the property on their behalf.

**Field 1\* Reason for filing this report**

This section explains what led you to make this report. The more information that you provide to explain this, the more valuable your report will be.

Include a clear and complete description of the events that led you to make this report, with as many details as possible. Include an explanation of how you came to be in possession or control of the property.

If there is not enough room on the form, attach a separate sheet to provide all the relevant information. Make sure you indicate on the separate sheet that this information belongs in field 1 of Part B.

If you can use word-processing software to write out this information, attach the printed text to Part B. Make sure you indicate that it belongs in field 1 of Part B.

**Field 2 How you came to know or believe that the property is terrorist property or believe that property is listed person**

Provide as many details as possible about how you know this property is owned or controlled by or on behalf of a terrorist or a terrorist group or how you believe this property is owned or controlled by or on behalf of a listed person.

If there is not enough room on the form, attach a separate sheet to provide all the relevant information. Make sure you indicate on the separate sheet that this information belongs in field 2 of Part B.

**Field 3 Full name of terrorist, terrorist group or listed person**

Enter the full name of the terrorist, terrorist group or listed person that owns or controls the property, or on whose behalf the property is owned or controlled. As explained in subsection 3.1, a terrorist or a terrorist group can be an individual, a group, a trust, a partnership, or a fund. It can also be an unincorporated association or organization. A listed person can be an individual, a corporation, a trust, a partnership, a fund or an unincorporated association or organization.

If it is an entity (that is, not an individual), enter the complete name of the terrorist group or listed person in field 3. If it is an individual, enter the terrorist's or listed person's surname, given name, and other name or initial (if known) in fields 3A, 3B and 3C.

If the property is owned or controlled by an individual or entity other than the terrorist, terrorist group or listed person, provide the details at fields 10 through 16 below. For example, if you know you are dealing with a terrorist group through a front organization, provide information about the front organization in fields 10 through 16.

**Fields 4 to 8 Terrorist, terrorist group or listed person address**

Enter the civic address, town or city, province, country and postal code for the terrorist, terrorist group or listed person named in field 3 above.

**Field 9 Telephone number**

Enter the telephone number, including the area code, of the terrorist, terrorist group or listed person named in field 3 above. Include the extension, if applicable, at field 9A.

**Field 10 Name of individual or entity that owns or controls the property on behalf of the terrorist, terrorist group or listed person**

Enter the full name of the individual or entity that owns or controls the property on behalf of the terrorist, terrorist group or listed person named in field 3 above.

If it is an entity (that is, not an individual), enter the complete name of the entity in field 10. If it is an individual, enter the individual's surname, given name, and other name or initial (if known) in fields 10A, 10B and 10C.

**Fields 11 to 15 Individual or entity address**

Enter the civic address, town or city, province and postal code for the individual or entity named in field 10 above.

**Field 16 Telephone number**

Enter the telephone number, including the area code, of the individual or entity named in field 10 above. Include the extension if applicable at field 16A.

**Part C: Information about the property**

This part is for information about the property in your possession or control.

If there is more than one property associated with the terrorist, terrorist group or listed person named in field 3 of Part B, complete a separate Part C for each property. To do this, you can copy Part C. At the top of Part C, complete the "Property (number) of (total number of properties in Part C)" area to distinguish between each property. If there was a transaction or a proposed transaction related to a property described in Part C, provide the details of the transaction in Parts E1, E2 and F, as well as Part G or H, as applicable. For each of these, indicate to which property the transaction information applies.

**Field 1\* Type of property**

Check the appropriate box to indicate which of the seven types listed best describes the property. Follow the instructions next to the applicable description on the form for the rest of the fields in Part C.

If none of the seven types is appropriate for the type of property, check the box for "Other". This would include, for example, commercial business assets (other than funds such as bank accounts). Provide a description in the space provided to the right. Follow the instructions underneath for the rest of the fields in Part C.

If the property involves an account, complete Part D to provide information about the account.

**Field 2 Property identifier**

Follow the instructions for the applicable property type in field 1. For example, if the property is "cash", indicate the type of currency in field 2.

If there is not enough room on the form to provide all the property identifier information for this property, attach a separate sheet to provide all the relevant information. It is very important that you indicate clearly on the separate sheet that this information belongs in field 2 of Part C.

**Field 3 Property identifier number**

Follow the instructions for the applicable property type in field 1. For example, if the property is an insurance policy, indicate the policy number in field 3.

If there is not enough room on the form to provide all the property identifier information for this property, attach a separate sheet to provide all the relevant information. It is very important that you indicate clearly on the separate sheet that this information belongs in field 3 of Part C.

**Field 4\* Actual or approximate value**

Provide the actual or approximate value of the property. Provide the currency code applicable to this amount in field 4A. If the amount is in Canadian dollars, enter CAD as the currency code. If it is in United States dollars, enter USD. If the amount is in another type of foreign currency, see Appendix 1 in Guideline 3: Submitting Suspicious Transaction Reports to FINTRAC for the code to use.

**Field 5 Description of property**

Provide any additional information about the property that is not already provided in the rest of the fields in Part C (and in Part D if the property involves an account).

If there is not enough room on the form to provide all the property identifier information for this property, attach a separate sheet to provide all the relevant information. It is very important that you indicate clearly on the separate sheet that this information belongs in field 5 of Part C.

**Part D: Account information (if the property involves an account)**

This part is for information about any account associated with the terrorist property. As explained earlier, it is possible to have more than one property per report. Provide the account information, where applicable, for each property included in the report.

If there is more than one account, complete a separate Part D for each one. To do this, you can copy Part D. Complete the "Account (number) of (total number of accounts in Part D)" area at the top to distinguish between each account, and identify the applicable property in the "Property (number)" area.

If none of the property in this report is associated to an account, do not complete Part D.

**Field 1\* Branch or transit number (if this Part is applicable)**

Enter the branch number, transit number or other appropriate identifying number of the entity where the relevant account is held, if applicable to the property.

If the transaction being reported was proposed and, because of this, information for field 1 is not available, you can leave the field blank.

**Field 2\* Account number (if this Part is applicable)**

Enter the number of the relevant account.

If the transaction being reported was proposed and, because of this, information for field 2 is not available, you can leave the field blank.

**Field 3\* Type of account (if this Part is applicable)**

Indicate the type of the relevant account. If the selections provided do not cover this particular account, indicate "Other" and provide details in field 3D.

If the transaction being reported was proposed and, because of this, information for field 3 is not available, you can leave the field blank.

**Field 4\* Currency code (if this Part is applicable)**

Enter the code for the type of currency for the relevant account. Enter CAD if Canadian dollars, or USD for United States dollars. If the account is another type of currency, see Appendix 1 in Guideline 3: Submitting Suspicious Transaction Reports to FINTRAC for the currency code to use.

If the transaction being reported was proposed and, because of this, information for field 4 is not available, you can leave the field blank.

**Field 5\* Full name(s) of account holder(s) (if this Part is applicable)**

Enter the full name of each account holder (up to three). If there are more than three, you do not need to provide more.

If the transaction being reported was proposed and, because of this, information for field 5 is not available, you can leave the field blank.

**Field 6 Date opened**

Enter the date (yyyy-mm-dd) the account was opened.

**Field 7 Date closed**

Enter the date (yyyy-mm-dd) the account was closed, if applicable.

**Field 8\* Status of the account (if this Part is applicable)**

Indicate whether the account was active, inactive or dormant at the time you came to know that the property was terrorist property. If there was a transaction or a proposed transaction relating to the account, indicate the status of the account at the time the transaction was initiated or proposed.

The status of an account is determined by your policies and procedures. For example, your policy may be to assign inactive status to all accounts if there is no client activity for an account over a certain period of time, and dormant status if that inactivity is prolonged.

If you do not have such policies or procedures to assign inactive or dormant status to unused accounts, simply leave this field blank.

If the transaction being reported was proposed and, because of this, information for field 8 is not available, you can leave the field blank.

**Part E1: Information about any transaction or proposed transaction (where applicable)**

If there were any transactions or proposed transactions related to the terrorist property, you will have to complete Parts E1, E2 and F. Part E1 is for information about how the transaction was initiated or proposed to be initiated (that is, where the money or property came from). Part E2 is for information about how the transaction was completed or proposed to be completed (that is, where the money went). Part F is for information about the individual who conducted the transaction or proposed to conduct the transaction.

If the transaction was completed or proposed to be completed on behalf of anyone other than the individual in Part F, you will also have to complete Part G or H, as appropriate.

If there is more than one property in this report, you will have assigned a number to each property at the top of Part C. In this case, indicate to which one each transaction applies by completing the "Property (number)" area at the top of Part E1.

If there is more than one transaction to report, complete a separate Part E1 for each one. To do this, you can copy Part E1. Complete the "Transaction (number) of (total number of transactions in Part E)" area at the top of Part E1 to distinguish between each transaction. When you complete Parts E2 and F, as well as Part G or H, as applicable, indicate to which transaction that information applies.

If there was no transaction or proposed transaction related to any of the property described in Part C, Part E1 is not applicable. In this case, Parts E2, F, G and H would not be applicable either.

**Field 1\* Date of the transaction (if this Part is applicable)**

Enter the date (yyyy-mm-dd) of the transaction. If the transaction was not completed, enter the date that the transaction was proposed.

The date of transaction field is mandatory. If the transaction was outside normal business hours, and you are not certain of the date, use the night deposit indicator field below (field 3).

**Field 2 Time of transaction**

Enter the time (hh:mm) of the transaction. If the transaction was not completed, enter the time that the transaction was proposed. The time of transaction field can be left blank if it is not available after reasonable efforts have been made.

**Field 3\* Night deposit indicator (if this Part is applicable)**

If the transaction was outside normal business hours and you cannot provide the date in field 1, use the night deposit indicator field.

**Field 4 Date of posting**

Enter the date (yyyy-mm-dd) the transaction cleared, if this differs from the date of the transaction provided in field 1.

**Field 5\* Type of funds or other property involved in initiating transaction (if this Part is applicable)**

Check the appropriate box to show the type of funds or other property involved in the transaction or the proposed transaction. For example, if your client brought in cash, "cash" is the type of funds or, if your client wanted to cash a life insurance policy, "negotiated life insurance policy" is the description of funds.

If none of the selections provided cover the particular transaction, indicate "Other" and provide details in field 5P. For example, if annuities were involved in initiating the transaction, indicate "Other" and provide information about the type of annuity in field 5P.

If there was more than one type of funds, indicate the one that best represents how the transaction was initiated or proposed to be initiated. Provide information about the rest of the types of funds on a separate sheet attached to the report. It is very important that you indicate clearly that this information belongs in field 5 of Part E1.

If the transaction being reported was proposed and, because of this, information for field 5 is not available, you can leave the field blank.

If you are a dealer in precious metals and stones, select the type of funds in field 5S that best describes what you received in the transaction, or what you were supposed to receive in a proposed transaction. If you were buying precious metals or stones, indicate the type of funds that best describes what you bought or proposed to buy. The same would apply if you were to receive precious metals or stones from a client for a trade-in sale. If you were selling precious metals or stones to a client, indicate the type of funds based on how the client paid or proposed to pay. For example, if the client paid cash, indicate "cash" or if the client paid by debit card or credit card, indicate "Other" and provide details in field 5P.

**Field 6\* Amount of transaction (if this Part is applicable)**

Enter the total of funds or value of the property involved in the transaction. This is the total amount received to initiate the transaction. If this amount was not in Canadian funds, you do not have to convert it but you must provide the currency information in field 7.

You will provide details about what happened or was proposed to happen to that amount (that is, the disposition(s) of the transaction) in Part E2.

If the transaction being reported was proposed and, because of this, information for field 6 is not available, you can leave the field blank.

#### **Field 7\* Currency code (if this Part is applicable)**

Enter the code for the currency of the transaction, even if it was in Canadian funds. Enter CAD if Canadian dollars, or USD for United States dollars. If the account is another type of currency, see Appendix 1 in Guideline 3: Submitting Suspicious Transaction Reports to FINTRAC for the currency code to use.

If the transaction being reported was proposed and, because of this, information for field 7 is not available, you can leave the field blank.

#### **Fields 8\* and 9\* Other institution, entity or individual name, number and account number (if this Part is applicable)**

Provide the name (including the identification number, if applicable) and account number of any other institution or individual related to the funds or other property described in field 5, if applicable. For example, if cheques were involved in initiating the transaction, you would provide the name and number of the financial institution in field 8, and the chequing account number in field 9.

If more than one other individual or institution was involved, attach a separate sheet with the information for fields 8 and 9 for each additional individual or institution. It is very important that you indicate clearly on the separate sheet that this information belongs in Part E1, and clearly indicate what applies to field 8 and what applies to field 9.

#### **Field 10\* How was the transaction conducted? (if this Part is applicable)**

Check the appropriate box to indicate how the transaction was conducted, or proposed to be conducted. For example, if the transaction was done through an automated banking machine, check the "Automated bank machine" box. If none of the selections provided cover this particular transaction, indicate "Other" and provide details in field 10G.

#### **Field 11 ID number of the individual initially identifying a transaction for terrorist property**

Enter the identification number of the individual who first identified the transaction relating to property owned or controlled by or on behalf of a terrorist or a terrorist group. If that individual does not have an ID number, this field may be left blank.

#### **Part E2: Information about the transaction or proposed transaction disposition(s) (where applicable)**

This Part is for information about how the transaction was completed or proposed to be completed.

If there is more than one transaction in this report, indicate to which property and which transaction this disposition applies in the "Property (number) Transaction (number)" area at the top of Part E2. These numbers should be the same as the ones assigned to the transaction in Part E1.

There could be more than one disposition for a particular transaction. For example, your client could propose to initiate a transaction in cash, send half of it as an electronic funds transfer (EFT) (disposition 1), and use the rest to purchase a bank draft (disposition 2). In that case, make sure you include the information for each disposition. If there is more than one disposition to report for any transaction, complete a separate Part E2 for each one. To do this, you can copy Part E2. Complete the "Disposition (number) of (total number of dispositions in this transaction)" area at the top of Part E2 to distinguish between each disposition.

You have to provide information about the individual conducting or proposing to conduct the transaction in Part F. If the disposition was on behalf of that same individual, check that box at the top of this Part.

If the disposition was on behalf of an entity (other than an individual), such as a partnership, corporation, trust or other entity, check that box and complete Part G to provide the information about the entity. If the disposition was on behalf of another individual, check that box and complete Part H to provide the information about the individual.

#### **Field 12\* Disposition of funds (if this Part is applicable)**

This describes what happened, or what was proposed to happen, to the funds involved in the transaction.

Check the appropriate box to indicate how the transaction was completed, or proposed to be completed. If the disposition of funds was a life insurance policy purchase or deposit, check that box and provide the life insurance policy number in field 12D.

If none of the selections provided cover this particular disposition, indicate "Other" and provide details in field 12P. For example, if annuities were involved in the disposition of funds, indicate "Other" and provide information about the type of annuity in field 12P.

If the transaction being reported was proposed and, because of this, information for field 12 is not available, you can leave the field blank.

If you are a dealer in precious metals and stones, select the disposition of funds in field B12 that best describes what you paid or sold (or what you proposed to pay or sell) to the conductor of the transaction. If you were buying precious metals or stones, select the disposition of funds that best describes how you paid or proposed to pay for them. For example, if you paid in cash, indicate "cash out" or if you paid by cheque, indicate "Other" and provide details in field 12P. If you were selling precious metals or stones (including a trade-in sale), select the disposition of funds that best describes what your client purchased or proposed to purchase.

**Field 13\* Amount of disposition (if this Part is applicable)**

Enter the amount of funds involved in the disposition. If the amount was not in Canadian funds, you do not have to convert it but you must provide the currency information in field 14.

If the transaction being reported was proposed and, because of this, information for field 13 is not available, you can leave the field blank.

**Field 14\* Currency code (if this Part is applicable)**

Enter the code for the currency of the transaction, even if it was in Canadian funds. Enter CAD if Canadian dollars, or USD for United States dollars. If the account is another type of currency, see Appendix 1 in Guideline 3: Submitting Suspicious Transaction Reports to FINTRAC for the currency code to use.

If the transaction being reported was proposed and, because of this, information for field 14 is not available, you can leave the field blank.

**Fields 15\* and 16\* Other institution, entity or individual name, number and account number (where applicable, if this Part is applicable)**

Provide the name (including the identification number, if applicable) and account number of any other institution or individual related to the disposition of funds described in field 12, if applicable. For example, if cheques were involved in the transaction's disposition, you would provide the name and number of the financial institution in field 15, and the chequing account number in field 16.

Also provide any policy number related to the other institution, entity or individual, in field 16, if applicable.

If more than one other individual or institution was involved, attach a separate sheet with the information for fields 15 and 16 for each additional individual or institution. It is very important that you indicate clearly on the separate sheet that this information belongs in Part E2, and clearly indicate what applies to field 15 and what applies to field 16.

If the transaction being reported was proposed and, because of this, information for fields 15 and 16 is not available, you can leave them blank.

**Part F: Information about the individual who conducted or proposed to conduct transaction(s) (where applicable)**

This part is for information about the individual who conducted the transaction, or who proposed to conduct the transaction.

If there is more than one transaction in this report, indicate to which property and which transaction this information applies by completing the "Property (number) Transaction (number)" area at the top of Part F. These numbers should be the same as the ones assigned to the transaction in Part E1. If there is more than one transaction to include in this report and they were not all conducted or proposed to be conducted by the same individual, complete a separate Part F for each individual. To do this, you can copy Part F. Complete the "Property (number) Transaction (number)" area at the top of Part F to distinguish between each individual who conducted or proposed to conduct a transaction.

If you are a dealer in precious metals and stones, the individual who conducted or attempted to conduct the transaction is the one from whom you were buying or to whom you were selling precious metals or stones.

**Fields 1 to 3 Individual's full name**

Enter the surname, given name and other name or initial (if known) of the individual who conducted or proposed to conduct the transaction.

**Fields 1A to 3A Alias**

Enter any alias that you know is used by the individual named in fields 1 to 3.

**Field 4 Entity client number (where applicable)**

Enter the client number you issued to the individual named in fields 1 to 3, if applicable.

**Fields 5 to 9 Individual's full address**

Enter the civic address, town or city, province or state, country and postal code of the individual named in fields 1 to 3.

**Field 10 Country of residence**

Enter the country of permanent residence of the individual named in fields 1 to 3.

**Field 11 Home telephone number**

Enter the home telephone number, including the area code, of the individual named in fields 1 to 3.

**Field 12 Individual's identifier**

Check the appropriate box to show the document used to identify the individual named in fields 1 to 3.

You can refer to an individual's provincial health card, provided there is no provincial or territorial legislation preventing you from using or requesting it.

If the selections provided do not cover the identifier used, indicate "Other" and provide details in field 12F.

Please note that although a Social Insurance Number (SIN) card can be used for identification purposes for transactions such as the opening of an account, the SIN (i.e., the number) should not be provided on this form. If you used a SIN card and no other identifying document for the individual, indicate **SIN card** in the "Other" area of field 12, but do not provide the number in field 13.

**Field 13 ID number**

Enter the number of the document described in field 12 that was used to identify the individual named in fields 1 to 3. Remember that a Social Insurance Number is not acceptable for this purpose, and neither is a health card number in some provinces.

**Field 13A Citizenship**

Enter the name of the country of citizenship of the individual named in fields 1 to 3.

**Fields 14 and 15 Place of issue**

Enter the province or state and country of issue of the document used to identify the individual named in fields 1 to 3.

**Field 16 Date of birth**

Enter the date (yyyy-mm-dd) of birth of the individual named in fields 1 to 3.

**Field 17 Individual's occupation**

Enter the occupation of the individual named in fields 1 to 3.

**Field 18 Individual's business telephone number**

Enter the business telephone number, including the area code, of the individual named in fields 1 to 3. Include the extension, if applicable, at field 18A.

**Field 19 Individual's employer**

Enter the name of the entity or individual who is the employer of the individual named in fields 1 to 3.

**Fields 20 to 24 Employer's business address**

Enter the civic address, town or city, province or state, country and postal code of the employer of the individual named in fields 1 to 3.

**Field 25 Employer's business telephone number**

Enter the business telephone number, including the area code, of the employer of the individual named in fields 1 to 3. Include the extension if applicable at field 25A.

**Part G: Information about the entity on whose behalf the transaction was conducted or proposed to be conducted (where applicable)**

This part only applies if the transaction's disposition was conducted, or proposed to be conducted, on behalf of a third party other than an individual, as you indicated in Part E2, above field 12. This includes an entity such as a business, corporation or trust, or any other entity that is not an individual.

Complete a separate Part G for each entity on whose behalf a disposition was conducted or proposed to be conducted. To do this, you can copy Part G. Complete the "Property (number) Transaction (number) Disposition (number)" area at the top of Part G to distinguish between each disposition, based on the number you assigned the disposition in Part E2.

**Field 1 Name of corporation, trust or other entity**

Enter the full name of the corporation, trust or other entity (such as a partnership, etc.) on whose behalf the transaction was conducted or proposed to be conducted.

**Field 2 Type of business**

Describe the type of business for the entity named in field 1.

**Fields 3 to 7 Full address of entity**

Enter the civic address, town or city, province or state, country and postal code of the entity named in field 1.

**Field 8 Business telephone number**

Enter the telephone number, including the area code, of the entity named in field 1. Include the extension, if applicable, at field 8A.

**Fields 9 to 11 Incorporation information (where applicable)**

Provide the incorporation number, where applicable, for the corporation named in field 1. Also provide the province or state and country of the incorporation number's place of issue.

**Field 12 Signing authority names**

Provide the names of up to three individuals who have authority to conduct transactions through the account of the entity (if an account is involved in the transaction).

**Part H: Information about the individual on whose behalf the transaction was conducted or proposed to be conducted (where applicable)**

This part only applies when the transaction's disposition was conducted, or proposed to be conducted, on behalf of a third party that is an individual, as you indicated in Part E2, above field 12.

If the individual conducted or proposed to conduct the transaction's disposition on his or her own behalf, this part does not apply. In that case, information about the individual should be provided in Part F. If the transaction's disposition was conducted on behalf of an entity (that is, not an individual), Part G should be completed.

Complete a separate Part H for each individual on whose behalf a disposition was conducted or proposed to be conducted. To do this, you can copy Part H. Complete the "Property (number) Transaction (number) Disposition (number) \* area at the top of Part H to distinguish between each disposition, based on the number you assigned the disposition in Part E2.

**Fields 1 to 3 Individual's full name**

Enter the last name, first name and middle initial (if applicable) of the individual on whose behalf the transaction was conducted or proposed to be conducted.

**Fields 1A to 3A Individual's alias (where applicable)**

Enter any alias that you know is used by the individual named in fields 1 to 3.

**Fields 4 to 8 Individual's full address**

Enter the civic address, town or city, province or state, country and postal code of the individual named in fields 1 to 3.

**Field 9 Home telephone number**

Enter the home telephone number, including the area code, of the individual named in fields 1 to 3.

**Field 10 Office telephone number**

Enter the office telephone number, including the area code, of the individual named in fields 1 to 3. Include the extension if applicable at field 10A.

**Field 11 Date of birth**

Enter the date (yyyy-mm-dd) of birth of the individual named in fields 1 to 3.

**Field 12 Individual's identifier**

Check the appropriate box to show the document used to identify the individual named in fields 1 to 3.

You can refer to an individual's provincial health card, provided there is no provincial or territorial legislation preventing you from using or requesting it.

If the selections provided do not cover the identifier used, indicate "Other" and provide details in field 12F.

Please note that although a Social Insurance Number (SIN) card can be used for identification purposes for transactions such as the opening of an account, the SIN (i.e., the number) should not be provided on this form. If you used a SIN card and no other identifying document for the individual, indicate **SIN card** in the "Other" area of field 12, but do not provide the number in field 13.

**Field 13 ID number**

Enter the number of the document described in field 15 that was used to identify the individual named in fields 1 to 3. Remember that a Social Insurance Number is not acceptable for this purpose, and neither is a health card number in some provinces.

**Fields 14 and 15 ID place of issue**

Enter the province or state and country of issue of the document used to identify the individual named in fields 1 to 3.

**Field 16 Country of residence**

Enter the country of permanent residence of the individual named in fields 1 to 3.

**Field 16A Citizenship**

Enter the name of the country of citizenship of the individual named in fields 1 to 3.

**Field 17 Individual's occupation**

Enter the occupation of the individual named in fields 1 to 3.

**Field 18 Individual's employer**

Enter the name of the entity or individual who is the employer of the individual named in fields 1 to 3.

**Fields 19 to 23 Employer's business address**

Enter the civic address, town or city, province or state, country and postal code of the employer of the individual named in fields 1 to 3.

**Field 24 Employer's business telephone number**

Enter the business telephone number, including the area code, of the employer of the individual named in fields 1 to 3. Include the extension if applicable at field 24A.

**Field 25 Relationship of the individual named in Part F to the individual named above (fields 1 to 3)**

Check the appropriate box to indicate the relationship of the individual who conducted or proposed to conduct the transaction (that is, the individual named in fields 1 to 3 of Part F) to the individual named in fields 1 to 3 (of Part H).

If none of the selections provided cover the relationship, indicate "Other" and provide details in field 25J.

## CHAPTER 20

# Appendix N— Self-Review Checklist

### Part A: Compliance Framework Evaluation

Requirements	Status	Comments
<b>Compliance Officer</b>		
Has the Compliance Officer been appointed, in writing, to their role?	<input type="checkbox"/> YES <input type="checkbox"/> NO	
Is the Compliance Officer independent of operations?	<input type="checkbox"/> YES <input type="checkbox"/> NO	
Is the job description of the Compliance Officer described in writing, in sufficient detail, with documented accountability for AML/ATF program content and design?	<input type="checkbox"/> YES <input type="checkbox"/> NO	
Does the Compliance Officer have: <ol style="list-style-type: none"> <li>1. appropriate qualifications</li> <li>2. knowledge of regulatory requirements</li> <li>3. money laundering subject matter expertise and reference to policies</li> <li>4. adequate resources to achieve program objectives</li> <li>5. documented unfettered access to Senior Management, the Board, and all information and individuals throughout the organization</li> </ol>	<input type="checkbox"/> YES <input type="checkbox"/> NO	
Is there a substitute Compliance Officer in case of absence by the primary?	<input type="checkbox"/> YES <input type="checkbox"/> NO	

Requirements	Status	Comments
<b>Policies and Procedures</b>		
Do policies incorporate all the objectives and responsibilities imposed by the legislation, including a risk management mandate?	<input type="checkbox"/> YES <input type="checkbox"/> NO	
Do procedures address the nature, timing, responsibilities, process and persons involved for all legislative requirements applicable to the organization, including: 1. record keeping 2. client identification (personal and non-personal) and prohibitions on accepting or dealing with clients where identification does not occur 3. risk based approach measures required mandated by law, and elected by your organization 4. suspicious transaction reporting 5. tipping-off prohibitions 6. large cash transaction reporting 7. compliance program requirements (including RBA documentation, the appointment of a compliance officer; the maintenance of up-to-date policies and procedures; the requirement for a bi-annual compliance review; the requirement for ongoing training for all employees and agents)	<input type="checkbox"/> YES <input type="checkbox"/> NO	
Have the policies and procedures been approved by a senior officer of the organization?	<input type="checkbox"/> YES <input type="checkbox"/> NO	
<b>Risk Assessment &amp; Risk Based Approach</b>		
Has an inherent risk assessment been conducted and include the following prescribed factors: 1. clients and business relationships 2. products and delivery channels 3. geographic location of the activities 4. other relevant factors	<input type="checkbox"/> YES <input type="checkbox"/> NO	
Based on the above inherent risk assessment, are all areas classified into respective risk levels?	<input type="checkbox"/> YES <input type="checkbox"/> NO	
Does the Risk Based Approach (RBA) documentation contain the minimum required components? 1. documented inherent risk assessment 2. risk mitigation strategy	<input type="checkbox"/> YES <input type="checkbox"/> NO	

<b>Requirements</b>	<b>Status</b>	<b>Comments</b>
Does the documented risk mitigation strategy address all higher risk areas identified in the inherent risk assessment to a level acceptable by the organization, with at least the minimum standards imposed by the legislation (ongoing monitoring and client identification updates)?	<input type="checkbox"/> YES <input type="checkbox"/> NO	
Are risk mitigation measures integrated into policies and procedures?	<input type="checkbox"/> YES <input type="checkbox"/> NO	
Have the relevant employees been trained appropriately in the reason and application of risk mitigation measures?	<input type="checkbox"/> YES <input type="checkbox"/> NO	
Are policies and procedures adopted for risk mitigation strategies being followed?	<input type="checkbox"/> YES <input type="checkbox"/> NO	
Are risks being managed within organizational tolerance levels (are controls meeting their objective/ resulting in the expected outcome)?	<input type="checkbox"/> YES <input type="checkbox"/> NO	
Are resource allocations appropriate given inherent risk assessment findings and risk mitigation experience?	<input type="checkbox"/> YES <input type="checkbox"/> NO	
<b>Training</b>		
Does the organization have a documented training program which specifies: 1. Who is to be trained 2. With what frequency will the training occur to satisfy the ongoing nature of the program 3. How will the content be used for training 4. What restrictions, if any, will be placed on staff prior to successfully completing the training 5. How will content retention be evaluated and documented 6. On what basis will employees and agents be exempted from training	<input type="checkbox"/> YES <input type="checkbox"/> NO	
Does the training content include at least: 1. background on money laundering risks 2. AML/ATF requirements including identifying reportable transactions 3. consequences of non-compliance and potential fines/penalties 4. organizational policies and procedures	<input type="checkbox"/> YES <input type="checkbox"/> NO	
Are there enhanced training requirements for the Compliance Officer?	<input type="checkbox"/> YES <input type="checkbox"/> NO	

Requirements	Status	Comments
<b>Effectiveness Review</b>		
Has an effectiveness review been conducted within two years of the previous review?	<input type="checkbox"/> YES <input type="checkbox"/> NO	
Is the effectiveness review conducted by a person or firm independent of the organization's operations?	<input type="checkbox"/> YES <input type="checkbox"/> NO	
Is the effectiveness review conducted by a person or firm with expertise in the AML/ATF Regulations, money laundering risks, and an understanding of the organization's operations?	<input type="checkbox"/> YES <input type="checkbox"/> NO	
Does the effectiveness review document specify a definition for effectiveness, the standards against which it evaluates effectiveness, its scope, methodology, findings, recommendations, and management undertakings to the recommendations?	<input type="checkbox"/> YES <input type="checkbox"/> NO	
Has the effectiveness review evaluated the effectiveness of: <ol style="list-style-type: none"> <li>1. policies and procedures (conformance to relevant standards and operational adherence)</li> <li>2. the risk assessment and risk-based approach</li> <li>3. the risk mitigation program</li> <li>4. training</li> </ol>	<input type="checkbox"/> YES <input type="checkbox"/> NO	
Has the effectiveness review report been presented to a senior officer within 30 days after the assessment along with any updates, if applicable, made to policies and procedures within the reporting period and the status of implementing any changes, if applicable, to policies and procedures?	<input type="checkbox"/> YES <input type="checkbox"/> NO	

## Part B: Operational Compliance Evaluation

Requirements	Status	Comments
<b>Client Identification</b>		
Are legislative and internal standards being adhered to for the acceptance of personal clients (e.g. valid identification with details recorded)?	<input type="checkbox"/> YES <input type="checkbox"/> NO	
Are legislative and internal standards being adhered to for the acceptance of business clients (e.g. timing, extent of documentation)?	<input type="checkbox"/> YES <input type="checkbox"/> NO	
Are legislative and internal standards being adhered to for the acceptance of not-for-profit clients?	<input type="checkbox"/> YES <input type="checkbox"/> NO	
Are enhanced identification processes being followed for higher risk clients?	<input type="checkbox"/> YES <input type="checkbox"/> NO	
Are non-face-to-face standards being adhered to in cases where the client or their signing authority is not physically present when identifying themselves?	<input type="checkbox"/> YES <input type="checkbox"/> NO	
Is client information being updated for higher risk clients?	<input type="checkbox"/> YES <input type="checkbox"/> NO	
Is third party determination conducted and documented in the required circumstances?	<input type="checkbox"/> YES <input type="checkbox"/> NO	
<b>Large Cash Transaction Reporting (LCTR)</b>		
Does the organization have an effective system in place to detect individual transactions, and combinations of transactions (24 hour rule) which require reporting?	<input type="checkbox"/> YES <input type="checkbox"/> NO	
Are all reportable transactions reported within the prescribed time-frame and with all the required details (timing and quality of reporting)?	<input type="checkbox"/> YES <input type="checkbox"/> NO	
<b>Suspicious And Attempted Suspicious Transaction Reporting (STR)</b>		
Does the organization have effective systems and training in place for the detection of transactions, attempted transactions and combinations of transactions which require reporting?	<input type="checkbox"/> YES <input type="checkbox"/> NO	
Does the organization have an effective system in place to evaluate and document unusual transactions, whether attempted or completed, put forward by employees and technology?	<input type="checkbox"/> YES <input type="checkbox"/> NO	

Requirements	Status	Comments
Is the rationale from the evaluation of unusual transactions fully documented? For both reported suspicious transactions and unreported transactions not deemed to be suspicious?	<input type="checkbox"/> YES <input type="checkbox"/> NO	
Are all reportable transactions reported within the prescribed timeframe and with all the required details (Timing and Quality of reporting)?	<input type="checkbox"/> YES <input type="checkbox"/> NO	
Have reasonable measures been taken to ascertain the identification of the subjects within all STRs?	<input type="checkbox"/> YES <input type="checkbox"/> NO	
Have suspicious and attempted suspicious transactions been linked to risk assessment and risk mitigation measures?	<input type="checkbox"/> YES <input type="checkbox"/> NO	
<b>Terrorist Property Reporting (TPR)</b>		
Does the organization have effective systems and training in place for the detection of transactions and property which require reporting?	<input type="checkbox"/> YES <input type="checkbox"/> NO	
Does the organization have an effective system in place to evaluate and document potentially reportable transactions and property?	<input type="checkbox"/> YES <input type="checkbox"/> NO	
Are all reportable transactions and properties reported to FINTRAC, CSIS and the RCMP within the prescribed timeframe and with all the required details?	<input type="checkbox"/> YES <input type="checkbox"/> NO	
<b>Record-Keeping and Retention</b>		
Are the prescribed records retained for a period of at least five years, in a way that allows for their retrieval within 30 days of a request by FINTRAC?	<input type="checkbox"/> YES <input type="checkbox"/> NO	
Are sufficient details kept about the following transactions and situations at the prescribed thresholds: 1. large cash transaction records 2. receipt of funds records 3. copies of official corporate records 4. copies of suspicious transaction reports	<input type="checkbox"/> YES <input type="checkbox"/> NO	

# About the Author

## **Matthew McGuire, MAcc, CPA, CA, DIFA, CAMS, AMLP**

Matthew McGuire is a Chartered Professional Accountant who leads the National Anti-Money Laundering (AML) Practice and the Investigative and Forensic Services Group in Ontario for MNP LLP. He is also the founder and Director of Seneca College's Canadian Institute for Financial Crime Analysis, a member of the Department of Finance's Public/Private Sector Advisory Committee on AML/ATF (Anti-Terrorist Financing), Chair of CPA Canada's AML Committee and a member of the Credit Union Central of Canada's AML Committee.

Together with his team of full-time dedicated AML specialists in offices across Canada, Matthew leverages his regulatory and investigative experience to empower companies and governments with regulatory compliance and financial crime risk mitigation strategies, guide them through regulatory exams and interventions, assist them with financial crime investigations, and provide them with litigation support.

Since his time as an intelligence analyst with FINTRAC, Matthew has been speaking regularly on the topic of money laundering and financial crime to reporting entities, law enforcement, prosecutors, financial intelligence units, universities, conferences, and authors articles for periodicals.

He holds an Honours Bachelor of Arts and a Master of Accounting degree from the University of Waterloo. In 2005, he completed the 2-year Diploma in Investigative and Forensic Accounting program at the University of Toronto. He is certified as an Anti-Money Laundering Specialist (CAMS) by the Association of Certified Anti-Money Laundering Specialists, and is accredited as an Anti-Money Laundering Professional (AMLP) by the Bank Administration Institute. Matthew has been qualified and admitted by the Ontario Superior Court of Justice as an expert witness in forensic accounting and money laundering, and has testified before Senate committees and the House of Commons Finance Committee on matters related to money laundering legislation.







CHARTERED  
PROFESSIONAL  
ACCOUNTANTS  
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