



October 30, 2019

**FINTRAC - PII**

Senior Administrative Assistant, Supervision  
Financial Institutions Commission  
2800 – 555 West Hastings Street  
Vancouver, BC  
V6B 4N6

**FINTRAC - PII**

In accordance with the FINTRAC/FICOM Memorandum of Understanding dated September 1, 2005, please refer to *Table 1* below for details of completed examinations to date for the 2019/2020 fiscal year.

**Table 1: Compliance Examinations Completed for the 2019/2020 Fiscal Year**

Name of Credit Union	Notification Letter	Findings Letter	Examination Date	Comments
FINTRAC - PII	✓	✓	FINTRAC - PII	Previously sent
	✓	✓		Previously sent
	✓	✓		Enclosed
	✓	✓		Enclosed

**Table 2: Compliance Examinations In Progress or To Be Conducted in the 2019/2020 Fiscal Year**

Name of Organization	Examination Date
FINTRAC - PII	

If you have any questions or concerns regarding any of the aforementioned, please do not hesitate to contact me at [Personal] or by email at [Personal Information]

Sincerely,

[Personal]

Regional Compliance Manager  
Vancouver Office

Enclosures:

Notification Letters (2)  
Findings Letters (2)

**THIRD PARTY DISCLOSURE:** The information in this document is sensitive and the property of the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC). It is provided to your organization on the understanding that it will not be further disseminated (which includes sharing with the entities you regulate, other regulators, law enforcement, etc.) without FINTRAC's prior consent. This information must be stored or distributed within your organization in a manner that protects it from unauthorized access.



Financial Transactions and  
Reports Analysis Centre  
of Canada

Centre d'analyse des opérations  
et déclarations financières  
du Canada

1185 West Georgia Street, Suite 1120, Vancouver, British Columbia V6E 4E6  
1185, rue West Georgia, bureau 1120, Vancouver (Columbia-Britannique) V6E 4E6

PROTECTED A

**FINTRAC - PII** 2019

**FINTRAC - PII**

CEO

**FINTRAC - PII**

Dear **FINTRAC - PII**

**Subject: Compliance Examination Notification**

Examination Number: EXAM**FINTRAC - PII**

Examination Date: **FINTRAC - PII**

Examination Period: October [ ] 2018 to March [ ] 2019

Examination Scope: As indicated in the specific requests below

As a follow up to our telephone conversation on **FINTRAC - PII** 2019, the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) is planning a compliance examination on your organization. This examination is part of our continuing mandate to assess the effectiveness of the programs for managing money laundering and terrorist activity financing risks and to assess compliance with the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (the Act) and its associated regulations.

FINTRAC is Canada's financial intelligence unit. The Centre assists in the detection, prevention and deterrence of money laundering and the financing of terrorist activities. FINTRAC's financial intelligence and compliance functions contribute to the safety of Canadians and the protection of the integrity of Canada's financial system. This important role is only effective when FINTRAC and the thousands of reporting entities across Canada work together. By implementing a robust compliance program, allowing your organization to identify high-risk areas and clients, and by sending reports on many different financial transactions, including suspicious transactions, your organization contributes effectively to the achievement of our mandate. Your organization's work helps FINTRAC in:

- sending the most accurate and timely information in the form of intelligence disclosures related to money laundering and terrorist activity financing;
- identifying and addressing future challenges of the country in relation to money laundering and the financing of terrorist activities; and
- helping protect Canadians and the integrity of Canada's financial system.

Pursuant to section 62 of the Act, an authorized FINTRAC compliance officer may examine the records and inquire into the business and affairs of your organization for the purpose to assess the extent to which your organization complies with its obligations pursuant to Parts 1 and 1.1 of the Act and associated regulations. Moreover, this examination also aims to assist your organization in meeting its legal obligations should any issues be identified.

As was agreed during our telephone conversation, the examination will take place on **FINTRAC - PII** at your office beginning at 8:45 am and should take approximately **FINTRAC - PII**. The examination may also include interviews with key personnel. Prior to the on-site examination date, we will hold an introductory telephone meeting with you to review FINTRAC's mandate and ensure that you are familiar with our examination process. We will also go over the documentation that we have requested in advance as explained below. **The date of this telephone meeting will be confirmed a later date.**

To help ensure an efficient and effective examination and in accordance with section 63.1 of the Act, your organization is required to provide us with the documentation listed below, in the form and manner as detailed in the attached Appendix, **no later than July** **2019**. We recommend that you send your documentation via ePost which is a secure online inbox. EPost protects your privacy with bank-grade security which makes it secure to share protected information. Alternatively, you can use Canada Post registered mail, a secure courier or hand deliver the information to our office located at:

Attention: **Personal**

Financial Transactions and Reports Analysis Centre of Canada  
1185 West Georgia Street, Suite 1120  
Vancouver, British Columbia V6E 4E6

**Documents are ~~not~~ to be sent via email, as this is not a secured delivery method.**

We request that only copies of documents and records be sent as they will not be returned to your organization and will be disposed of.

1. Copy of your most recent version of compliance policies and procedures, including those that pertain to special measures for identifying clients, keeping records and monitoring financial transactions in respect of the activities that pose a high risk, as required under the PCMLTFA.
2. Copy of your documented assessment of risks related to money laundering and terrorist financing offences, as required under the PCMLTFA.
3. Copy of the last two documented internal and/or external reviews of your compliance policies and procedures, risk assessment and ongoing compliance training program that have been completed to date, as required under the PCMLTFA. Also, include any assessment reports to senior officers that were issued upon the completion of the reviews.
4. Copy of the ongoing training program that has been provided to your staff and/or agents in relation to your obligations under the PCMLTFA.
5. An organizational chart of **FINTRAC - PII**.
6. The most recent audited financial information for **FINTRAC - PII** Total Assets, Gross Revenue and Net Revenue.
7. The number of full and part-time employees (full time equivalents).

We kindly ask that you provide us with the requested information only. Please ensure to limit the information to what is requested and do not provide further personal information related to employees or clients.

Also pursuant to section 63.1 of the Act, we require that on the date of the examination, your organization makes the documents and records detailed below available for review at the location being examined; you can either have copies ready in advance, or provide access to the originals.

1. Any unusual transaction records flagged for suspicion related to money laundering or terrorist financing but not filed with FINTRAC for the period October [REDACTED] 2018 to March [REDACTED] 2019 inclusive.
2. A list of clients that your company has assessed to have a high risk to money laundering or terrorist financing as of the date of this letter. During the on-site examination, please ensure signature cards, account operating agreements, account application forms, correspondence, internal memorandum and notes, and transaction records for these clients are readily available.
3. All new account opening records for personal and non-personal loan and mortgage accounts opened at your company from October [REDACTED] 2018 to March [REDACTED] 2019. At a minimum, these records should include:
  - i. Signature cards, account operating agreements and account application forms.
  - ii. For a corporation, a copy of the part of the official corporate records that contains any provision relating to the powers to bind the corporation in respect of that account.
  - iii. For a person or entity other than a corporation, a record of the name and address of the client and
    - If the client is a person, their date of birth and the nature of their principal business or occupation.
    - If the client is an entity other than a corporation, the nature of their principal business.
  - iv. A record of the intended use of the account.
  - v. A record of the client's financial capacity, the terms of the credit arrangement, and if the client is a person, the address of their business or place of work.

Where warranted, FINTRAC reserves the right to request additional information and documentation that is outside of the above-mentioned sample period(s). Under certain circumstances, the examination scope may also be expanded to include additional compliance elements.

Please note that FINTRAC's compliance examination process has started upon notification of the call you received on June [REDACTED] 2019. As a result, any reportable financial transaction that has occurred during the period under review that has not been reported to FINTRAC as of that date will be considered as not having been reported and could result in a deficiency or failure to submit a report. Deficiencies may result in a violation under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Administrative Monetary Penalties Regulations*. Similarly, any other compliance program document, such as the written compliance policies and

procedures, which is found to have been created or adjusted after the start of the examination, may result in a deficiency possibly leading to a violation.

You can find additional information on your responsibilities and what you can expect from FINTRAC at the following link: <http://www.fintrac-canafe.gc.ca/guidance-directives/overview-apercu/05-2005/4-eng.asp>.

If you have any additional questions, do not hesitate to contact me by telephone at  
**Personal Information** or by e-mail at **Personal Information**

Yours sincerely,

**Personal Information**

Compliance Officer

cc: Financial Institutions Commission of BC

## Appendix: List of Acceptable Extensions

Please submit the requested documentation via ePost, on a CD-ROM or on a DVD-ROM saved by using one of the file extensions below. Note that FINTRAC will not accept documents saved under any other file extensions.

Software		File Extension
Microsoft Excel	Formats	.xlsx (Excel 2007) .xls
	Text	.txt .csv .dif .slk
	Other	.dbf .xml
Microsoft Access		.mdb
Microsoft Word		.docx (Word 2007) .doc
Microsoft PowerPoint		.xml .ppt
Adobe Acrobat Reader		.pdf
WordPerfect		.wpd
Pictures/Images		.jpg .tiff .bmp

With regards to all documentation presented in a table, please ensure that there are no merged cells – each cell must contain only one piece of information. Refer to the tables below for an example of the acceptable and unacceptable formatting.

### Acceptable

Name	Apt	Street address	City	Province	Country	Date of birth
Ms. Jane Wise	19	345 Richmond Blvd	Niagara	ON	Canada	yyyy-mm-dd

### Unacceptable

Name	Address	Date of birth
Ms. Jane Wise	Apt 19 - 345 Richmond Blvd Niagara, ON, Canada	mm dd, yyyy
Dr John Smith	200 Civic Drive	Markham, ON, Canada



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et déclarations financières  
du Canada

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1185, rue West Georgia, bureau 1120, Vancouver (Columbia-Britannique) V6E 4E6

PROTECTED B

**FINTRAC -** 2019

**FINTRAC - PII**

Chief Financial Officer and Chief Compliance Officer  
**FINTRAC - PII** [REDACTED]

COPY

Dear **FINTRAC - PII**

**Subject: Compliance Examination Findings**

Examination Number: EXAM**FINTRAC -**

Examination Date: **FINTRAC -** 2019

Examination Period: October [REDACTED] 2018 to March [REDACTED] 2019

Examination Scope: As indicated in FINTRAC's letter dated **FINTRAC - PII** 2019

**Purpose**

The purpose of this correspondence is to communicate the findings resulting from the Financial Transactions and Reports Analysis Centre of Canada's (FINTRAC) recent examination to assess **FINTRAC - PII** compliance with Parts 1 and 1.1 of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (the Act) and its associated regulations.

**Examination Summary**

FINTRAC identified deficiencies, outlined in Appendix I, for which your organization must take immediate action to address. The findings are based on the areas of your organization's compliance program that we examined for the period indicated in our notification letter dated **FINTRAC** 2019 and based on correspondence and discussions with you during the examination.

As a result, FINTRAC will be considering a follow-up examination to ensure progress has been made to correct the deficiencies. If the non-compliance continues, an enforcement activity may be considered.

(.../2)

Canada

- 2 -

We thank you for your cooperation during the examination process. Your success is important to us as we work together in the fight against money laundering and terrorist financing. Should you have any questions, please do not hesitate to contact me.

Yours sincerely,

Personal Information  
[REDACTED]

Compliance Officer

Personal Information  
[REDACTED]

Encl. (2) Appendix I and Details of deficiencies – Report(s)/Record(s)

cc: Financial Institutions Commission of British Columbia

e  
f

PROTECTED B

**Appendix I – Compliance Examination Findings****FINTRAC - PII**Examination Number: EXAM**FINTRAC -**

This appendix sets out details of the compliance examination findings, which were discussed with you verbally on August 27, 2019.

**Deficiency #1: PCMLTF Regulations 71(1)(b) - Compliance Program - Policies and Procedures - For Entity**

Your organization has the obligation to develop and apply written compliance policies and procedures that are kept up to date and approved by a senior officer to comply with the Act and as required by paragraph 71(1)(b) of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations*.

For this examination, we received a copy of your policies and procedures, **FINTRAC - PII** [REDACTED] Anti-Money Laundering and Terrorist Financing Prevention Compliance Regime (MLTF), which was dated and approved on [REDACTED] 2016. Consequently, we confirm that you have policies and procedures in place; however, we found them to be incomplete as discussed below.

**Ongoing Monitoring**

Page 20 of your policies and procedures indicates that transaction activity is monitored annually at a minimum, with a full comprehensive review of the lending facility. For example, your policies and procedures indicate that staff will check for the following:

- beneficial ownership changes;
- transactions within the lending facility that are unusual such as an unexplained large lump sum payment; and
- changes in business operations.

FINTRAC's regulations require you to perform ongoing monitoring of your business relationships to:

- detect suspicious transactions that are required to be reported to FINTRAC;
- keep client identification and the purpose and intended nature of the business relationship record up to date;
- re-assess your client-risk based on their transactions and activities; and
- determine whether the transactions or activities are consistent with your information and risk assessment of the client.

FINTRAC also requires you to keep a record of the measures you take to monitor your business relationships and the information you obtain as a result.

During the examination, we looked at two commercial loan files to confirm that annual reviews are performed and documented. We noted that the loan files were reviewed to confirm that the loan is in line with the original purpose of the loan, the client has continued ability to pay off the loan, and the client's physical location and postal and email addresses are up to date.

Therefore, you are fulfilling part of your ongoing monitoring requirements as required by FINTRAC's regulations. However, we note that the reviews were conducted primarily to ensure that the client has continued ability to pay off the loan, and not for the detection of unusual or suspicious activity related to money laundering or terrorist financing activity. We also note that the reviews were not being done on an annual basis. Further, you advised that consumer loans were not being reviewed.

Your policies and procedures should be updated to clearly outline your ongoing monitoring requirements for business relationships as required by FINTRAC's regulations, which would include both consumer and commercial loan accounts.

#### Risk Rating

**FINTRAC - PII** of your policies and procedures state that during the review process, staff will identify whether the lending facility is low, moderate or high risk and take measures accordingly for each category. These measures are not documented in your policies and procedures.

We also note that on **FINTRAC - PII** of your policies and procedures, the overall risk rating for your client base is indicated to be low and on **FINTRAC - PII** a list of high-risk occupations has been provided which includes lawyers. During the examination, you advised that your organization has two loan files where the clients are lawyers; however, these clients are not considered high-risk as you advised that your organization does not have any high-risk clients. You also advised that the risk rating of your clients is subjective. During our review of the loan files that were provided for this examination, we noted that the risk ratings of your clients were related to credit risk rather than the risks for money laundering and terrorist financing.

Your policies and procedures should include a documented process for risk rating your clients as it relates to money laundering and terrorist financing risks. This process should include rules and parameters to ensure clients are rated on a consistent basis, and that high-risk clients, if any, are identified. It is important to identify high-risk clients as they pose a greater vulnerability of money laundering and terrorist financing and consequently, they should be monitored more frequently and/or with more scrutiny for any unusual or suspicious activity.

#### Ascertainment of Identification

**FINTRA** of your policies and procedures indicates that your staff may not meet a client in person and that "FINTRAC's non face-to-face methods of establishing identity would apply." When asked how identity would be verified when your staff cannot meet the client in person, you verbally advised that the dual process would be used. Your policies and procedure should provide specific details on the dual process method to ensure staff are following this method correctly.

#### Politically Exposed Persons/Heads of International Organizations (PEPs/HIOs)

In June 2017, the regulations were changed to include domestic PEPs and HIOs. Your policies and procedures discusses foreign PEPs but not domestic PEPs and HIOs. Specifically, when you open an account, you must determine if client is a foreign PEP, domestic PEP or HIO (or a family member or close associate of a PEP or HIO) within 30 days after the account is opened. You also need to make this determination not only at account opening, but also on a periodic

basis or when you detect a fact. For a domestic PEP and HIO (or a family member or close associate of a domestic PEP or HIO), you must also determine the client's risk level within the same 30 days of the account opening. Further, if you have a foreign PEP, high-risk domestic PEP or HIO, you must take reasonable measures to establish source of funds and obtain senior management approval to keep the account open. Your policies and procedures do not outline these requirements.

**Beneficial Ownership**

You must obtain the names of all directors of a client who is a corporation as part of your beneficial ownership determination requirements. Your policies and procedures do not outline this requirement. We also note that director names have not been recorded as your organization's forms do not have a field for this information.

**Third Party and Purpose and Intended Nature**

From our review of your loan files, we note that your staff are making third party determinations and recording the purpose and intended nature of each business relationship. However, these requirements are not documented in your policies and procedures.

Your policies and procedures should outline the processes that your staff must follow to ensure your organization meets the requirements of the Act and regulations. Consequently, your policies and procedures should be updated as discussed above.

***Deficiency #2: PCMLTF Regulations 71(1)(c) - Compliance Program - Risk Assessment***

Your organization has the obligation to assess and document the risk of a money laundering offence or a terrorist financing offence in the course of your activities, taking into account the prescribed factors, as required by paragraph 71(1)(c) of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations*.

We reviewed the risk assessment documentation that you provided for this examination, which was included in your policies and procedures document, FINTRAC - PII Anti-Money Laundering and Terrorist Financing Prevention Compliance Regime (MLTF). Consequently, we confirm that your organization has a documented risk assessment but we found it to be incomplete as it did not discuss and assess one of the prescribed factors. Specifically, if you are a financial entity, life insurance company, or securities dealer, you must also assess the risks resulting from the activities of an affiliate that is also subject to the Act and associated Regulations, or that is a foreign affiliate that carries out activities similar to these sectors. At the time of this examination, we note that you had an affiliate that was registered to sell life insurance, and this affiliate was not considered in your risk assessment.

Furthermore, as mentioned in Deficiency #1, your organization should include a documented process for risk rating your clients as it relates to money laundering and terrorist financing risks. During the examination, it was discovered that the risk ratings of your clients were related to credit risk rather than the risks for money laundering and terrorist financing.

**Deficiency #3: PCMLTF Regulations 71(1)(e) - Compliance Program - Review of Policies and Procedures, Risk Assessment and Ongoing Training Program**

Your organization has the obligation to institute and document every two years a review of your policies and procedures, the risk assessment and the training program by an internal or external auditor as applicable, as required by paragraph 71(1)(e) of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations*.

During the examinations of your organization conducted on [REDACTED] 2013 (Exam [REDACTED]) and on [REDACTED] 2015 (Exam [REDACTED]), your organization had not conducted a two-year review and this was noted in the findings letters that were issued for each examination.

For this examination, we received a copy a review that was conducted by [REDACTED] and dated [REDACTED] 2019. You advised that this review was initiated before you were notified of this examination, but you were not aware of any other reviews that had been conducted before this review.

Consequently, although a review has been conducted, it is considered to be inadequate as the two-year period is not being met. Specifically, the review should have been conducted well before [REDACTED] 2019.

**Deficiency #4: Act 6.1 - Ascertaining Identity - Acceptable identification for every person who signs a signature card**

*PCMLTF Regulations 54(a) - Signature card*

Your organization has the obligation to ascertain the identity of every person for whom a signature card is created in respect of an account that your organization opens, as required by paragraph 54(a) of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations*.

Specifically of the 16 loan files reviewed, the examination revealed one instance where the identification of persons authorized to act on behalf of your corporate client had not been made.



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**COPY**

June 17, 2019

**FINTRAC - PII**

Manager, Risk Management  
**FINTRAC - PII**  
[REDACTED]

Dear **FINTRAC - PII**

**Subject** Request for Information – FINTRAC Anti-Money Laundering (AML) and Anti-Terrorist Financing (ATF)  
Examination: **FINTRAC - PII**

**Overview**

The Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) is planning an examination of **FINTRAC - PII** as part of their continuing mandate to assess the effectiveness of the programs for managing money laundering (ML) and terrorist financing (TF) risks and compliance with obligations under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (PCMLTFA) and its Regulations, respectively.

Section 62 of the PCMLTFA allows for authorized FINTRAC Compliance Officers to undertake a compliance examination. The objective of this examination is to assess the extent to which your organization's compliance regime, reporting, record keeping and client identification policies and practices meet the legislative requirements.

The onsite portion of the examination is scheduled to take place from **FINTRAC - PII** beginning at 9:00 AM at [REDACTED].

**Objectives**

FINTRAC's objective is to ensure compliance with the requirements under Part 1 and 1.1 of the PCMLTFA and its associated Regulations.

**Appendix**

Please refer to the attached Appendix for detailed information on which materials should be submitted to FINTRAC. Please be advised that we may request additional information during the course of our examination.

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<b>Due Date</b>	Pursuant to Section 63.1 of the PCMLTFA and to help ensure an efficient and effective examination, your organization is required to provide FINTRAC with the documentation in the form and manner as detailed in the attached Appendix on or before <b>FINTRAC - PII</b> unless otherwise specified.
<b>Omission</b>	Pursuant to section 63.1 of the PCMLTFA, <b>FINTRAC - PII</b> [REDACTED], hereinafter also referred to as the "Credit Union," is required to provide the information specified in this letter to FINTRAC. FINTRAC may levy civil penalties as prescribed under the PCMLTFA for failure to provide the requested information. Failure to comply may also result in criminal liability.
<b>Contact</b>	If you have any questions related to the material requested or the examination that will be undertaken, please contact Sarb Dhaliwal, Senior Compliance Officer at FINTRAC by telephone at 604-666-8203 or by e-mail at <b>Personal Information</b> [REDACTED]

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Thank you for your assistance with the above matters. We look forward to meeting with you.

Sincerely,

**Personal Information**  
[REDACTED]

Senior Compliance Officer  
Financial Transactions and Reports Analysis Centre of Canada

**Personal Information**  
[REDACTED]

Enclosures: Appendix – FINTRAC Specific Information Request

## Appendix – FINTRAC Specific Information Request

### **FINTRAC - PII**

**Instructions** This FINTRAC examination relates to the organization covered under Section 5 of the PCMLTFA, listed above. During the course of this examination, FINTRAC may identify clients or transactions common to your organization and any other affiliated organization. FINTRAC may choose to commence an examination on any affiliated organization within your financial group.

Please note that the FINTRAC compliance examination process has now started. As a result, any reportable financial transaction that has occurred during the period under review that has not been reported to FINTRAC as of the date of this letter will be considered as not having been reported and could result in a deficiency (failure to submit a report). Deficiencies may result in a violation under the PCMLTFA. Similarly, any other compliance program document (e.g. compliance policies and procedures) that is found to have been created or adjusted after the date of the letter may result in a deficiency and potential violation.

Pursuant to section 63.1 of the PCMLTFA, your organization is required to provide the information specified in this Appendix to FINTRAC and subject to the date indicated in the cover letter. FINTRAC may levy civil penalties as prescribed under the PCMLTFA for failure to provide the requested information. Failure to comply may also result in criminal liability.

### **Details**

The scope of this examination covers the period from:

**October [REDACTED] 2018 to March [REDACTED] 2019**

Please note: Where warranted, FINTRAC reserves the right to request additional information or documentation that is outside of the above-mentioned scope period. This includes reports, records, and program documents.

Information requested in this appendix should only be submitted to FINTRAC, via Epost (See below for details).

**Formatting (for sections A&B)**

Document submissions for sections A and B should be submitted in Microsoft Word or PDF format.

**Formatting (for sections C-I)**

In order to perform a proper analysis of the information requested, FINTRAC can only accept information that is prepared in accordance with the form and manner set out in this letter. Please prepare the information in the sections below using Microsoft Excel spreadsheets or Common-Separated Values (CSV).

To ensure that records can be reconciled against reports submitted to FINTRAC please ensure that there are no merged cells (each cell must contain its own information). Also, please ensure the Reporting Entity Report Reference number provided in the submission matches the same format as in the report submitted to FINTRAC. Please see the examples below:

Acceptable:

Name	Suite	Address	City	Prov	Country	DOB
Jane Wise	19	345 Richmond St	Niagara	ON	Canada	yyyy-mm-dd

Unacceptable:

Name	Address			DOB		
Jane Wise	Apt 19 - 345 Richmond St, Niagara, ON, Canada			yyyy-mm-dd		
Dr John	Smith	550 Civic Dr	Kingston, ON, Canada	dd	mm	yyyy

\*\*All information requested in C to F will be used to select files for review.

**Pre-Onsite Submission**

- Given the sensitive nature of the documentation requested below, and in the interest of limiting the risk of loss during transit, all material is to be provided electronically.
- FINTRAC recommends that you send your documentation using Canada Post Epost service (*see below for details*).
- Please do **not** send documentation via email (with the exception of *Epost* below).
- It is recommended that you password protect electronic files. Please provide the password under a separate cover.
- Electronic files may be 'zipped' but must not be self-extracting (i.e. the file name extension must not end in '.exe'). If compressing files, please note that only '.zip' file extensions are accepted.

### Epost

- Epost, a secure personal digital mailbox service provided by Canada Post, uses advanced encryption technology that allows for the transmission of sensitive information. There is no fee to set up mailboxes. Once you set up one or more mailboxes, we will initiate an "Epost conversation" with you, which will allow you to send us information via Epost at no charge.
  - To set up one or more mailboxes please visit: <http://www.Epost.ca>
- 

A. Organizational Information Please submit the following organizational information specific to the Credit Union listed below **before the due date** indicated on page 2:

- An organization chart including reporting lines to the CAMLO
  - Information on the size and nature of the organization, as follows:
    - Number of full-time employees
    - Number of part-time employees
    - Number of offices and branches by city. The list should include all branches arranged by branch location and transit number.
    - Client assets under administration (*as of the most recent audited fiscal year*)
    - Annual gross revenue (*as of the most recent audited fiscal year*)
    - Net Income (*as of the most recent audited fiscal year*)
    - Number of agents or brokers under contract (*if applicable*)
- 

B. Compliance Program Please submit the following compliance regime related information specific to the Credit Union **before the due date** indicated on page 2:

- Copy of your most recent version of compliance policies and procedures, including those that pertain to special measures for identifying clients, keeping records and monitoring financial transactions in respect of the activities that pose a high risk, as required under the PCMLTFA.
- Please provide a **separate cover** referencing the document title and page number that relates to the processes around legislative reporting (LCTR, EFT, STR, and TPR). This includes

desktop procedures utilized at the branch level. Please note that this applies only to pre-existing documents that the Credit Union currently uses.

- Copy of your documented assessment of risks related to money laundering and terrorist financing offences, as required under the PCMLTFA, including special measures to mitigate the identified high risk areas.
- Copy of the last two documented internal and/or external reviews of your compliance policies and procedures, risk assessment and ongoing compliance training program that have been completed to date, as required under the PCMLTFA. Also include any assessment reports to senior officers that were issued upon the completion of the reviews and any audit methodology and working papers. Please do not include branch level reviews.
- Copy of the ongoing training program that has been provided to your staff and/or agents in relation to your obligations under the PCMLTFA, including training plans (frequency) and materials.

### C. High Risk Clients

Instructions for high risk clients:

Please submit the following lists of high risk client categories.

Note:

For relationship-based requests (no. 1&2): The list of clients provided should reflect the total population as of the date of the letter. This is irrespective of the time period in which the relationship was established.

For alert or trigger-based requests (no. 3 to 6): The list provided should be from alerts that are triggered within the examination scope period only.

**1. HIGH RISK:** A list of all clients assessed to be of high risk by the Credit Union. Please include the following and submit the information prior to the onsite examination on or before the due date indicated on page 2:

- Account number
- Client number
- Client type (personal or business)
- Type of account
- Client name
- Client address (including city, province and country)
- Occupation and nature of principal business
- Risk score
- Date assessed to be high risk, and

- Reason for higher risk assessment or type of high risk
- Indicate if the Credit Union has filed an STR (including outside of the scope period) and provide the report reference number and date filed.
- Indicate if the client was de-marketed: including date of decision and date of account closure. Please provide a rationale if the client was de-marketed with no STR filed.

**2. POLITICALLY EXPOSED PERSONS (PEP):** A list of clients identified as Politically Exposed Foreign Persons and Politically Exposed Domestic Persons. Please include the following and submit the information **before the due date** indicated on page 2:

- Account number
- Client number
- Client name
- Client address (including city, province and country)
- Date account opened
- Risk Score
- Politically Exposed Foreign Persons relevant source country  
(i.e. country of political connection)
- Indicate if the Credit Union has filed an STR (including outside of the scope period) and provide the report reference number and date filed.

Indicate if the client was de-marketed: including date of decision and date of account closure. Please provide a rationale if the client was de-marketed with no STR filed.

**3. PRODUCTION ORDERS:** A list of all law enforcement orders and notices (BCPIO, production orders, search warrants etc.) excluding any non-disclosure clauses. For example "THIS COURT FURTHER ORDERS that the Credit Union and its employees be prohibited from disclosing the existence, nature and content of this matter to any other person or party except to the extent required to execute the request". Please include the following and provide the information **during the onsite examination**:

- Account number
- Client number
- Client type (personal or business)
- Client name
- Client address (including city, province and country)
- Client occupation
- Date account opened
- Risk score
- Alleged predicate offence(s)
- Production Order no. (unique identifier)
- Confirm no disclosure clause (y/n)

- Department responsible for receiving and processing the request (i.e.; Corporate Security, Fraud, AML, etc.)
- Indicate if the Credit Union has filed an STR (including outside of the scope period) and provide the report reference number and date filed.

Indicate if the client was de-marketed: including date of decision and date of account closure. Please provide a rationale if the client was de-marketed with no STR filed.

**4. SANCTIONS SCREENING:** A list of all investigations or cases on clients referred for escalation as a result of being alerted from the sanctions screening system. Please include the following and submit the information **during the onsite examination**:

- Account number
- Client number
- Client name
- Client address
- Client occupation
- Date account opened
- Risk Score
- Category of sanction alerted
- The team/group/department that detected the alert
- The team/group/department that investigated the alert, if different from above
- Whether or not assets have been frozen or blocked (y/n), including date
- Indicate if the Credit Union has filed an STR (including outside the scope period) and provide the report reference number and date filed.
- Indicate if the client was de-marketed: including date of decision and date of account closure. Please provide a rationale if the client was de-marketed but no STR was filed.

**5. DE-MARKET:** A list of the Credit Union clients approved for de-marketing. Please include the following and submit the information **before the due date** indicated on page 2:

- Account number
- Client number
- Client name
- Client address
- Client occupation
- Date account opened
- Risk score
- Reason for de-marketing
- Date decision made to de-market
- Date account closed

Indicate if the Credit Union has filed an STR (including outside of the scope period) and provide the report reference number and date filed.

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#### D. Escalation /STR

For safety and security, each subsection below will specify where information should be submitted to FINTRAC or where information should be prepared and kept onsite until FINTRAC's arrival.

##### Process

Please submit the following information **before the due date** indicated on page 2:

A brief documented overview of your organization's transaction reports process in relation to the suspicion of ML/TF (e.g. Unusual Transaction Reports). Please include the following:

- The flow or process from beginning to end
- Timelines for each step
- Approval process with Departmental titles
- Data sources (*system versus human sources*)

##### Escalation

##### **Instructions for escalated files/transactions:**

Please submit a list of all investigation/cases on subjects referred for escalation due to suspicion of ML/TF (e.g. UTRs or Alerts), not filed with FINTRAC from **October █ 2018 to March █ 2019**. Please include the following and submit the following information **before the due date** indicated on page 2:

- Client name
- Client number
- Account number
- Client type (personal or business)
- Client address (including city, province and country)
- Occupation and nature of principal business
- Referral sources (system generated, employees, law enforcement inquiries, negative media, etc.)
- Provide rule code(s) with descriptions if applicable
- Department or Unit(s) responsible for the investigation
- Investigation or discounting rationale
- Confirm that an STR has not been filed (i.e., if the column is titled "STR filed" all cells should read "no")
- Indicate if the client was de-marketed: including date of decision and date of account closure.

**Additional instructions on escalated files or transactions and STR/SATR (do not submit in advance – onsite only):**

From the lists above, FINTRAC will provide you, in advance of the onsite examination, with a sample of files or transactions that we will review onsite. For this sample, please ensure, for each file, that these electronic and/or physical files are available and ready to be promptly reviewed on the first day of the onsite examination at the specified location. In addition, please ensure the applicable staff are available when needed.

This **onsite sample** should include the following information where available:

- Investigation notes
- Client statements
- Client profile information (i.e. application forms, client file)
- Original transaction records for the transaction(s) being reported on (deposit slips, copies of cheques, copies of wires, withdrawals, receipts, transaction tickets, client instructions, etc.)
- System generated alerts and subsequent escalations
- Client correspondence and communication
- Third party verification sources (i.e., Equifax or Purview, if available)
- Open source research, if available
- Any other internal documentation, memorandum, notes and records pertaining to client/conductor/account holder/third party from all escalation levels
- Any documentation explaining why the client is being recommended for de-marketing.
- If a STR has been filed for the transaction, provide the FINTRAC report number

**E. Escalation /TPR**

For safety and security, each subsection below will specify where information should be submitted to FINTRAC or where information should be prepared and kept onsite until FINTRAC's arrival.

**Process**

Please submit a brief documented overview of your organization's transaction reports process in relation to the detection of terrorist property **before the due date** indicated on page 2. At a minimum, the document should include:

- The flow or process from beginning to end
- Timelines for each step

- Approval process with departmental titles
- Data sources (*system versus human sources*)
- Copy of the monthly reports submitted to your primary regulator during the scope period in regards to suppression of Terrorism and United Nations Act Sanctions

### **Escalation**

#### **Instructions for escalated files/transactions:**

Please submit a list of all investigation or cases on subjects referred for escalation where the Credit Union knew or believed it was in possession of terrorist property however did not file with FINTRAC from **October █ 2018 to March █ 2019**. Please include the following and submit the information **before the due date** indicated on page 2:

- Client name
- Client number
- Account number
- Client type (personal or business)
- Client address (including city, province and country)
- Occupation and nature of principal business
- Referral sources (system generated, employees, law enforcement inquiries, negative media, etc.)
- Provide rule code(s) with descriptions if applicable
- Investigation or discounting rationale (final report – why it did not lead to an TPR)
- Confirm that an STR has not been filed (i.e., if the column is titled "STR filed" all cells should read "no")
- Indicate if the client was de-marketed: including date of decision and date of account closure.

#### **Additional instructions on escalated files/transactions and TPR (do not submit in advance – onsite only):**

From the lists above, FINTRAC will provide you, in advance of the onsite examination, with a sample of files or transactions that we will review onsite. For this sample, please ensure, for each file, that these electronic and/or physical files are available and ready to be promptly reviewed on the first day of the onsite examination at the specified location. In addition, please ensure the applicable staff are available when needed.

This **onsite sample** should include the following information where available:

- Investigation notes
- Client statements
- Client profile information (i.e. application forms, client file)
- Original transaction records for the transaction(s) being

reported on (deposit slips, copies of cheques, copies of wires, withdrawals, receipts, transaction tickets, client instructions, etc.)

- System generated alerts and subsequent escalations
  - Client correspondence and communication
  - Third party verification sources (i.e. Equifax or Purview, if available)
  - Open source research, if available
  - Any other internal documentation, memorandum, notes and records pertaining to client/conductor/account holder/third party from all escalation levels
  - Any documentation explaining why the client is being recommended for de-marketing
- 

#### F. Transaction Monitoring System

Please submit a list of rules and scenarios utilized by the Credit Union for monitoring client activity. Please also include any applicable policy and procedures that explains the processes followed for each step. Please submit this information **before the due date** indicated on page 2.

Please submit a list of all transaction alerts as generated by the Credit Union's transaction monitoring system for potential ML/TF concern(s) not filed with FINTRAC for the period **October [REDACTED] 2018 to March [REDACTED] 2019**. Please submit the following information **before the due date** indicated on page 2:

- Date of alert
  - Account number
  - Client name
  - Client number
  - Client type (personal or business)
  - Client address (including city, province and country)
  - Rule code(s) that triggered the alert with description
- 

#### G. LCTR

Please submit the following information **before the due date** indicated on page 2:

A summary statement of all cash deposits of **\$7,000 CAD** or more generated from your organization's banking system. Please provide transactions that were conducted during the first week of each month during the scope period. From the summary statement, we will be making a selection of transactions to review **during the onsite examination** which we will provide to you prior to the examination.

Please include:

- Reporting Entity Report reference number if submitted by batch (*if applicable*)
- FINTRAC Report number if submitted by F2R (*if applicable*)
  - Name of conductor of transaction(s)
  - Date of transaction
  - Transaction amount and currency (*received*)
  - If an account was affected by the transaction:
    - Branch or transit number where account is held
    - Account number

#### LCTR Exemptions

Please have the original records available or accessible for review **onsite**.

A reporting entity is not required to report LCTRs when cash is received from another financial entity or a public body. If the Credit Union utilizes this exemption, please provide a list of the affected clients. Please submit the following information **before the due date** indicated on page 2:

- Client name
- Client number
- Account number
- Date of account open
- Type of business
- Indicate if public body or financial institution
- Date exemption was applied

#### Aggregation Rules for LCTRs

Please provide documentation regarding LCTR aggregations, including rules. Ensure the documents are clear as to what is being aggregated (e.g., account number or client number). If the information is contained in your policies and procedures, please indicate the page number on the document. If the documents are unclear please provide a summary. Please submit the information **before the due date** indicated on page 2.

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## H. EFTs

Please submit the following information **before the due date** indicated on page 2:

A summary statement of all (both international and domestic) Electronic Funds Transfer transactions (incoming and outgoing) from your Electronic Funds Transfer system, for the period of **October █ 2018 to March █ 2019** inclusively in an Excel (.xlsx (Excel 2007) or .xls) format. From the summary statement, we will be making a selection of transactions to review **during the onsite examination** which we will provide to you prior to the examination.

Please prepare the following two separate lists of electronic funds transfer (EFT) transactions in an amount of \$10,000 or more. To generate the lists, please use the **raw data** from the Credit Union **core system** to include:

1. Non-SWIFT – Outgoing EFT
2. Non-SWIFT – Incoming EFT

Please do not include transactions triggered by the 24-hour rule.

Please include:

- Reporting Entity Report reference number if submitted by batch (*if applicable*)
- FINTRAC Report number if submitted by F2R (*if applicable*)
- Type of EFT (*Incoming/Outgoing*)
- Date of transmission
- Amount and currency of transaction
- Ordering Client Name
- Ordering Client Address
- Beneficiary Client Name
- Beneficiary Address
- Name of the sending/receiving financial institutions
- Address of the sending/receiving financial institutions
- SWIFT or BIC code of the sending/receiving financial institutions

Please have the original records available or accessible for review onsite.

### Aggregation Rules for EFTRs

Please provide documentation regarding EFT aggregation, including rules for all platforms pertaining to the Credit Union **before the due date** indicated on page 2. Please ensure the documents are clear and

indicate whether the aggregation is conducted across platforms, if the documents are unclear please provide a summary.

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## I. Rejected Reports

If any reports are rejected during the scope period and returned to your organization for further validation, please provide, if applicable, the following **before the due date** indicated on page 2:

- The new accepted reporting entity report reference number (if applicable)
- The reason the transaction was not re-reported (if applicable)
- Indication whether this transaction was part of a voluntary self-declaration of non-compliance.

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## J. Reporting Information Criteria

### Sampling

Throughout the examination, we may request to have a sample of the above transactions available onsite for review.

### Quality and Timing

As part of the examination, FINTRAC will review the quality and timing of prescribed reports submitted to the Agency. Additional information or documentation may be requested from the Credit Union as part of this request.

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## K. Record Keeping

Please provide a spreadsheet or printout (excluding Registered Plans, loans, and mortgages) of all **new membership** account opening records for personal and non-personal accounts opened at your Credit Union for the period of **October █ 2018 to March █ 2019** organized by branch location **before the due date** indicated on page 2.

From these accounts, we will be making a random selection of accounts to review **during the onsite examination** which we will provide to you prior to the examination. If possible, please limit the information to account number, date of account opening, home branch, and type of account.

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## L. Pre-Exam Meetings

Where the Credit Union anticipates challenges with meeting the 30 day deadline for the submission of pre-onsite material, it is encouraged to reach out to FINTRAC to ensure that any issues and concerns are addressed in a timely manner.

FINTRAC may request to meet with the Credit Union for the purpose of facilitating discussions regarding any request contained in this letter. The purpose of such a request is to minimize potential disruptions to the onsite schedule. For example, the Credit Union may be asked by FINTRAC to provide a walkthrough of a sample of client files or records as it pertains to fulfilling Section D (Escalation/STR) of the letter.

FINTRAC's decision to undertake a meeting prior to the onsite will be done in consultation with the Credit Union and other examination stakeholders.

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## M. Onsite Requests (Ad hoc)

In addition to the request for pre-onsite materials, subsequent or ad hoc requests are a standard part of FINTRAC's examination process.

### **Request for Information (RFI) deadlines**

To ensure the timely completion of the onsite examination, FINTRAC generally expects RFI's to be fulfilled within five (5) days of when a request is made.

Extensions may be granted at FINTRAC's discretion depending on the nature of the request. For requests that are complex, resource dependent, or rely on multiple stakeholders, FINTRAC will work with the Credit Union to determine appropriate timelines.

We kindly ask that you provide us with the requested information only. Please ensure to limit the information to what is requested and not provide further personal information related to employees or clients.



Financial Transactions and  
Reports Analysis Centre  
of Canada

Centre d'analyse des opérations  
et déclarations financières  
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1185 West Georgia Street, Suite 1120, Vancouver, British Columbia V6E 4E6  
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PROTECTED B

October 25, 2019

**FINTRAC - PII**

Manager, Risk Management

**FINTRAC - PII**

Dear **FINTRAC - PII**:

**Subject: Compliance Examination Findings**

Examination Number: EXAM **FINTRAC - PII**

Examination Dates: **FINTRAC - PII**

Examination Period: October [REDACTED] 2018 to March [REDACTED] 2019

Examination Scope: As indicated in FINTRAC's letter dated **FINTRAC - PII**, 2019

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**Purpose**

The purpose of this correspondence is to communicate the findings resulting from the Financial Transactions and Reports Analysis Centre of Canada's (FINTRAC) recent examination to assess **FINTRAC - PII** compliance with Parts 1 and 1.1 of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (the Act) and its associated regulations.

**Examination Summary**

FINTRAC identified deficiencies, outlined in Appendix I. The findings are based on the areas of your organization's compliance program that we examined for the period indicated in our notification letter dated **FINTRAC - PII** 2019 and based on correspondence and discussions with you during the examination.

As a result, FINTRAC will not be pursuing any further follow-up activity at this time. However, your organization is expected to correct the deficiencies mentioned in Appendix I.

- 2 -

We thank you for your cooperation during the examination process. Your success is important to us as we work together in the fight against money laundering and terrorist financing. Should you have any questions, please do not hesitate to contact me.

Yours sincerely,

Personal Information  
[REDACTED]

Senior Compliance Officer

Personal Information  
[REDACTED]

Encl. Appendix I – Compliance Examination Findings

cc: Financial Institutions Commission of British Columbia

PROTECTED B

**Appendix I – Compliance Examination Findings****FINTRAC - PII****Examination Number: EXAM-**FINTRAC - PII****

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This appendix sets out details of the compliance examination findings, which were discussed with you verbally on **FINTRAC - PII** 2019.

**Deficiency #1: PCMLTF Regulations 71(1)(b) - Compliance Program - Policies and Procedures - For Entity**

*Your organization has the obligation to develop and apply written compliance policies and procedures that are kept up to date and approved by a senior officer to comply with the Act and as required by paragraph 71(1)(b) of the Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations.*

Your organization provided documented policies and procedures that address many regulatory requirements, however, the documents are considered incomplete as it is missing some requirements related to the determination of beneficial ownership. It is acknowledged that your organization's policies and procedures address the requirement to verify the beneficial owners of a corporation or similar entity, however, the policies and procedures fail to address the additional obligations that are triggered when beneficial ownership cannot be established.

Specifically, your documented policies and procedures address the following regulatory requirement of obtaining beneficial ownership information of an entity, which includes the ownership, control and structure information. Furthermore, it addresses the reasonable measures that must be taken to confirm the accuracy of the information obtained and the record that must be kept of the information obtained and measures taken to confirm its accuracy. However, it fails to address if your organization is unable to obtain the beneficial ownership information, or if beneficial ownership information is obtained but your organization is unable to confirm its accuracy. In this case, there are additional obligations where your organization must:

- take reasonable measures to verify the identity of the most senior managing officer of the entity;
- treat the entity's activities as high risk; and
- apply the enhanced measures for high risk clients, including enhanced ongoing monitoring.

During the examination of the account opening documentation there were three instances where beneficial ownership was not obtained for entity accounts, and these business relationships were rated as low risk in the transaction monitoring system. No additional documentation was provided showing enhanced ongoing monitoring had occurred or been scheduled.

Identifying beneficial ownership is essential in removing anonymity and identifying the actual individuals behind the transactions and account activities. The concealment of beneficial ownership information of accounts, business and transactions is a technique in money

laundering and terrorist activity financing schemes. Collection and confirmation of this information is important to aid in the money laundering and terrorist activity financial investigation and ultimately protect the integrity of Canada's financial system.

**Deficiency #2: PCMLTF Regulations 71.1 - Compliance Program - Development and application of written policies and procedures for taking prescribed special measures**

*PCMLTF Regulations 71.1(b) - Additional enhanced measures*

*Your organization has the obligation to develop and apply written policies and procedures for taking additional enhanced measures to mitigate the risks identified in accordance with subsection 9.6(3) of the Act, including, keeping client identification information and the information referred to in section 11.1 up to date, and conducting ongoing monitoring of business relationships for the purpose of detecting transactions that are required to be reported to the Centre under section 7 of the Act, as required by paragraph 71.1(b) of the Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations.*

Specifically, during our review, it was found that the ongoing monitoring was not adequately being applied as per your organization's policies, procedures, and your requirements under the PCMLTFR. Although your organization has policies and procedures related to ongoing monitoring, during our review of a sample of high-risk business relationships, we found the following:

- 12 of the 31 personal high-risk members reviewed did not have any documentation on any ongoing monitoring measures. Additionally, 19 of the 21 corporate high-risk members did not have any documentation of any ongoing monitoring measures. In these instances, no record of the review was found in the transaction monitoring system.
- None of the high-risk members examined could we establish the date when they were deemed high risk to determine if monitoring was done in accordance with the frequency set out in your organization's policies and procedures.
- A third of the high risk members (10 out of 31 high risk) scores were manually adjusted to high risk with no record detailing the date or rational for the change.

To ensure compliance as per the requirements for ongoing monitoring of high-risk members your organization must keep documentation and a record that includes:

- Procedures that are in place to perform enhance measures for high risk clients
- The information that is gathered as a result of enhanced measures for high risk clients
- Information you obtain through your ongoing monitoring activities is specific to the client and must be recorded separately.

As a result of your ongoing monitoring if you identify a patron as posing as high risk, your organization must apply enhanced measures for that client. Enhanced measures mean that you must take extra steps in addition to minimum requirement for client due diligence. This includes taking additional measures for client identification, conducting enhanced ongoing monitoring, and taking any other enhanced measure you identify as appropriate. When ongoing monitoring is not conducted and documented on time the opportunity to review higher risk clients may be missed or delayed resulting in inadequate risk mitigation. This may have a timely impact on the detection of suspicious transaction reporting especially related to high risk patrons.

Furthermore, your policies and procedures are not consistent with what is being applied in your organization. During our examination, it was found that only 3 months of transactions are reviewed during the ongoing monitoring process of high-risk members, however your organization's policies and procedures stated 6 months of activity is reviewed. Also your organization's policies and procedures indicate that members with a score of ~~\$~~<sup>Fraud</sup> or higher would be rated high risk however, during the review it was found that the transaction monitoring system was determining members to be high risk after a score of ~~■~~ and above. To ensure consistency, the discrepancies between the documented policies and procedures and the procedures that are being applied must be addressed.

In addition to the deficiencies identified above, we are including the following observation noted during the examination. This observation is not considered to be a deficiency given the scope and purpose of this examination. However, it is highlighted to assist your organization with the improvement of your compliance program and to ensure there are no future deficiencies if our scope is expanded, changed or if further testing for effectiveness of your compliance program is conducted.

#### **Observation: Training Program**

During the examination, your organization provided a summary of the AML modules given to staff depending on their roles and responsibilities as part of your organization's ongoing training program. In addition, included in this summary were the number of attempts by each employee to complete the modules along with their examination marks. Although a training program is in place, it was found that a number of employees were attempting the examinations more than once and some employees made attempts upwards to ~~■~~ times.

FINTRAC - PII



This demonstrates that either your employees do not have adequate knowledge on the regulatory requirements or employees are not reviewing the training modules prior to taking the online test. Hence, it is recommended that a different training approach be explored to determine the reason for the numerous attempts and perhaps provide additional training to assist employees with their level of knowledge on the requirements.

