

**Subject:** Re: Re: gold coins inquiry

**From:** Policy-Interpretation <Policy-Interpretation-Politique@fintrac-canafe.gc.ca>

**Date:** 16/08/2016 8:44 AM

**To:** "'RADU.FNT@OHMI.ORG'" <RADU.FNT@OHMI.ORG>

Dear Mr. Hociung,

Thank you for contacting the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC), Canada's independent agency responsible for the collection, analysis, assessment and disclosure of information in order to assist in the detection, prevention and deterrence of money laundering and the financing of terrorist activities in Canada and abroad.

I am writing further to your e-mails of July 21, 2016 and July 29, 2016, where you have asked whether certain types of coins and forms of gold are considered currency under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (PCMLTFA).

Subsection 1(2) of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations* (PCMLFTR) defines cash as “coins referred to in section 7 of the [Currency Act](#), notes issued by the Bank of Canada pursuant to the [Bank of Canada Act](#) that are intended for circulation in Canada or coins or bank notes of countries other than Canada.”

Paragraphs 7(1)(a) and (b) of the [Currency Act](#) state that “a coin is current for the amount of its denomination in the currency of Canada if it was issued under the authority of

- (a) the [Royal Canadian Mint Act](#); or
- (b) the Crown in any province of Canada before it became part of Canada and if the coin was, immediately before October 15, 1952, current and legal tender in Canada.”

Furthermore, subsection 1(2) of the PCMLFTR defines precious metal as “gold, silver, palladium or platinum in the form of coins, bars, ingots or granules or in any other similar form.”

According to section 39.1 of the PCMLFTR, “every dealer in precious metals and stones that engages in the purchase or sale of precious metals, precious stones or jewellery in an amount of \$10,000 or more in a single transaction, other than such a purchase or sale that is carried out in the course of, in connection with or for the purpose of manufacturing jewellery, extracting precious metals or precious stones from a mine or cutting or polishing precious stones, is subject to Part 1 of the Act”. Therefore, an entity becomes a dealer in precious metals and stones (DPMS) under the PCMLTFA if it purchases or sells precious metals, stones, or jewellery in an amount of \$10,000 or more in a single transaction. This amount is not a cash value, but rather the value of \$10,000 in precious metals, stones, or jewellery.

Accordingly, for FINTRAC’s purposes, anyone who engages in the purchase or sale of these coins, or gold bars, in an amount of \$10,000 or more would meet the triggering activity and would become a DPMS subject to the PCMLTFA and its associated Regulations.

I trust this information will be of assistance.

**Lisa Zielinski, MA, CAMS**

Compliance Officer | Agente de conformité

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oz-silver-canadian-maple-leaf-coin-2016.html

[3] <http://torontogoldbullion.com/gold/gold-coins/1-oz-gold-coins/1-oz-gold-us-buffalo-coin-2016.html>

[4] <http://torontogoldbullion.com/silver/silver-coins/1-oz-silver-coins/1-oz-silver-american-eagle-coin-2016.html>

[5] <http://torontogoldbullion.com/gold/gold-bars/1-oz-gold-bars/1-oz-gold-royal-canadian-mint-bar-new-design.html>