

# Tab 7



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# ***Anti-Money Laundering and Anti-Terrorism Financing in Canada***

Chartered Professional Accountants  
Canada  
FINTRAC 101  
March 4, 2015

Canada 

## ***FINTRAC's Mandate***

- Produce financial intelligence relevant to money laundering, terrorist activity financing, and threats to the security of Canada.
- Ensures compliance of reporting entities with the legislation and regulations.

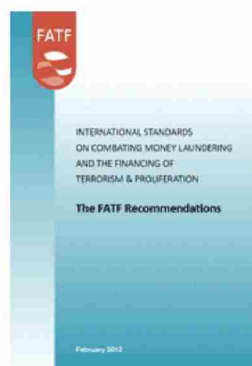


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# *Interactions with the FATF*



**Financial Action  
Task Force  
(FATF)**



**FATF  
recommendations**



**Integrated into Canadian  
legislation and  
regulations**



Accountants



British  
Columbia  
notaries



Casinos



Dealers in  
precious  
metals and  
stones



Financial  
entities



Life insurance



Money services  
businesses



Real estate



Securities  
dealers



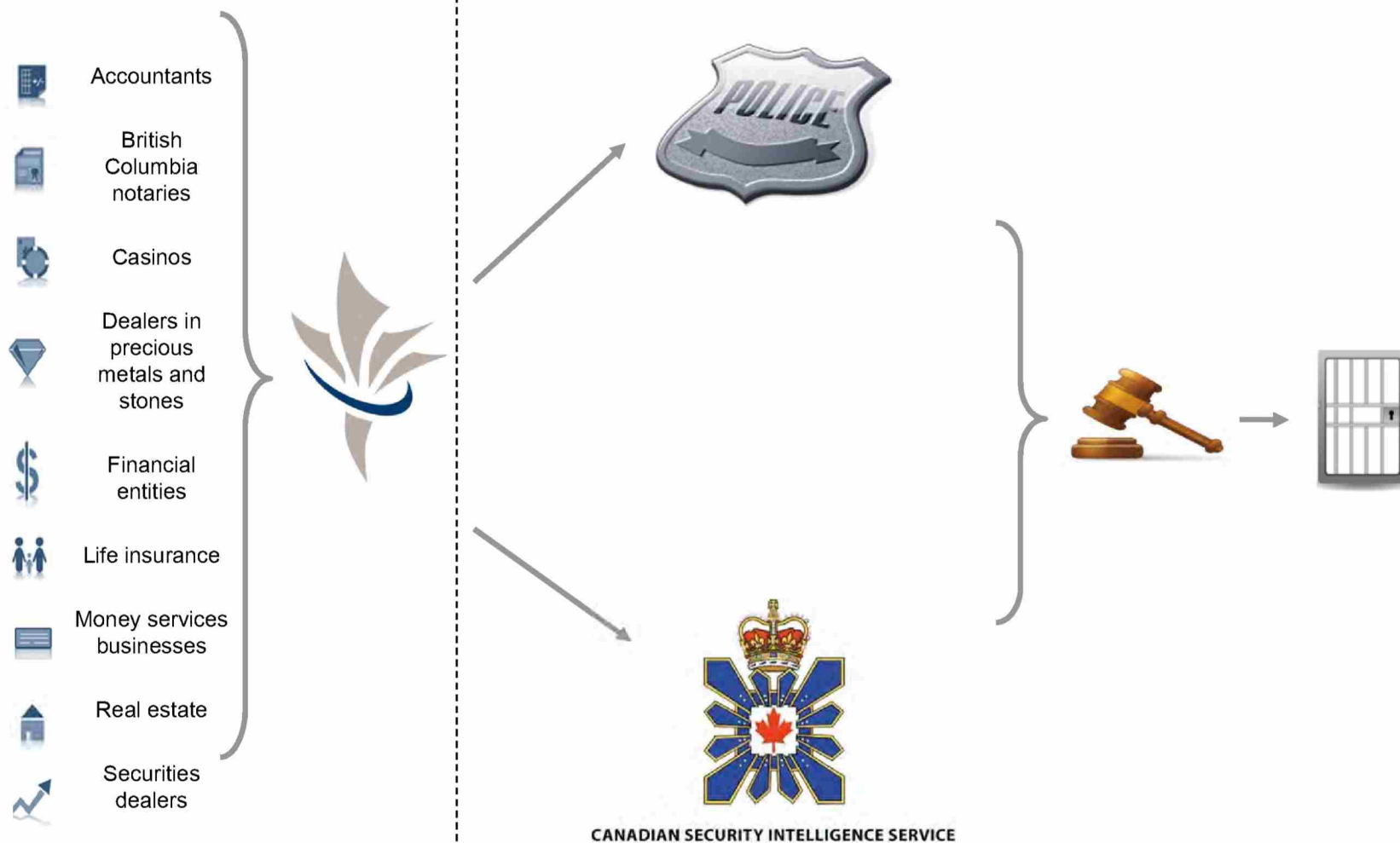
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# ***Roles and Responsibilities***



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## ***Regional Operations and Compliance Sector***

- Responsible for the National Compliance Program under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (PCMLTFA).
- Regional offices are responsible for program delivery and ensure reporting entities fulfill compliance obligations.



## *Triggering Activities*

- Receiving or paying funds;
- Purchasing or selling securities, real property or business assets or entities; or
- Transferring funds or securities by any means.





# *Obligations*

- Reporting
  - Suspicious Transaction Reports  
(including attempted suspicious transactions)
  - Terrorist Property Reports
  - Large Cash Transaction Reports
- Record Keeping
- Client Identification
- Third Party Determinations
- Compliance Regime





# ***Compliance Regime***



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## ***Risk Assessment***

- Analysis of potential threats and vulnerabilities
- Complexity: size and risk factors of your business
- Risk Assessment Methodology: sector-specific guidance



## ***Record Keeping***

- Effective record keeping system
- Machine-readable or electronic forms
- Must readily produce paper copies
- Information required for any one record can be stored separately, but must be able to be readily put together
- Not required to keep copies of reports submitted to FINTRAC (other than STR)
- Exceptions – 5 year records



## *Updated Guidelines*

- Publication of updated Guidelines
  - Guideline 4
    - Implementation of a Compliance Regime
  - Guideline 6
    - Record Keeping and Client Identification



# ***Risk-Based Approach***

## **STRATEGY**



## **COMPLIANCE ACTIVITIES**

**Examinations**

**Compliance Assessment Reports (CARs)**

**Reports Monitoring**

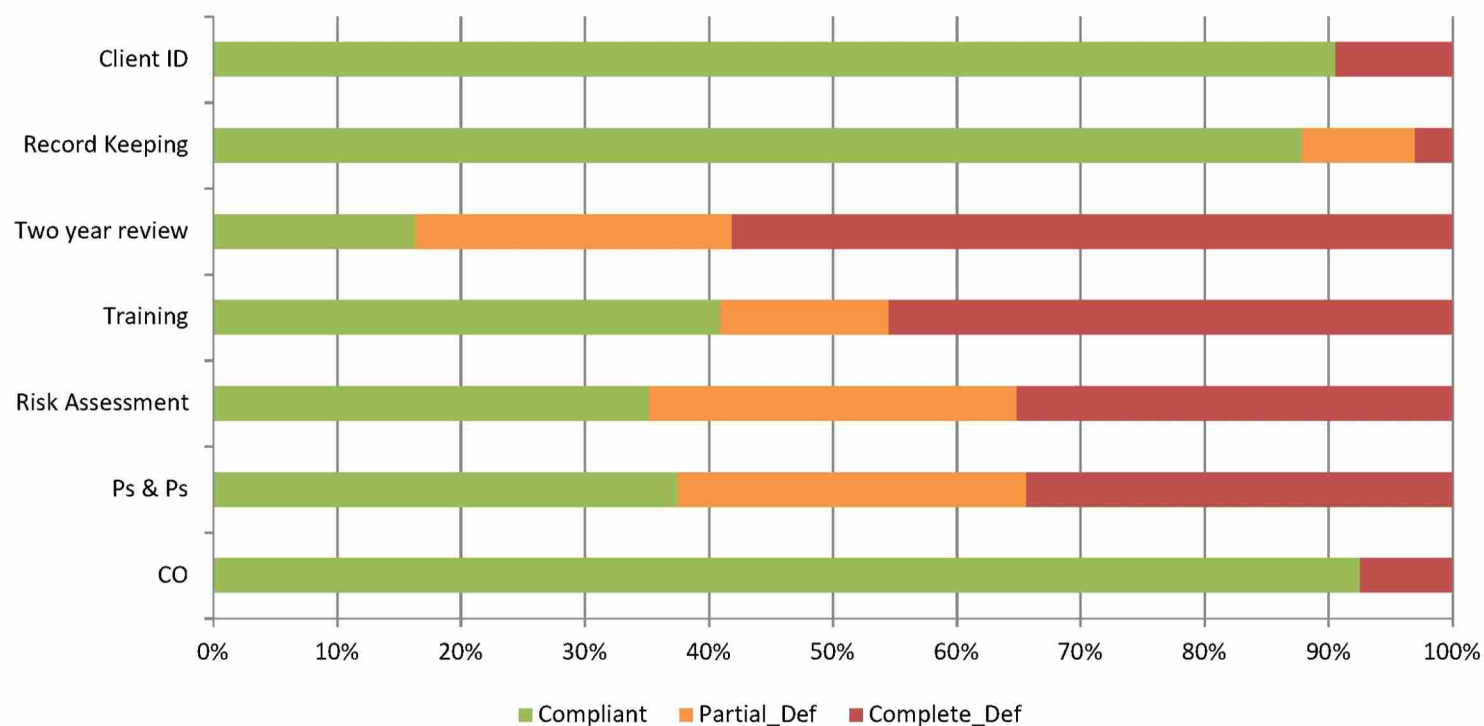
**Observation Letters**



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# *Examination Results in the Accountants Sector*

**Proportion of Deficiencies Cited**



## ***Our Joint Mission...***

- public safety of Canadians
- integrity of Canada's financial system

**WE NEED YOU TO MAKE IT WORK**





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# ***Reporting Entity Support***

By email:

[guidelines-lignesdirectrices@fintrac-canafe.gc.ca](mailto:guidelines-lignesdirectrices@fintrac-canafe.gc.ca)

By telephone:

1-866-346-8722 (toll free)



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# Thank you!

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