



Requirements for White Label ABM Cash Owners

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Published by Interac Corp., 200 Bay St., Suite 2400, Toronto, ON, M5H 3T9

Tel: 416-362-8550 Fax: 416-869-5080

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1. INTRODUCTION

On March 1, 2009, Interac Corp. adopted a set of Regulations designed to establish protocols for the collection and review of information relative to White Label Automated Banking Machines (ABMs).¹ This document is being provided to the Canadian ABM Industry for informational purposes. Interac Corp. Participants and their business partners should not use this document as an alternative to assess and ensure their compliance with the Interac Corp.'s Regulations.

2. BACKGROUND

In February 2008, the Financial Action Task Force (FATF), the international body responsible for setting standards for anti-money laundering, released its report entitled "Anti-Money Laundering and Combating the Financing of Terrorism Regime in Canada". The report identified the Canadian White Label ABMs as an industry sector where additional controls should be implemented to mitigate the risk of money laundering. In response to those findings, a number of meetings were held among Interac Corp., Visa, MasterCard, ATMIA, law enforcement agencies (RCMP and OPP), the Department of Finance and Financial Transaction Reports Analysis Center of Canada (FINTRAC). Interac Corp. also invited participants from within the White Label industry to these joint industry meetings to discuss what controls should be considered, and subsequently implemented to address the concerns expressed in FATF's report.

This joint-industry group collectively agreed to a set of anti-money laundering requirements for White Label ABM "Cash Owners"². These requirements were later formulated into Interac Corp. Regulations designed to specifically address the following areas:

- customer due diligence requirements (know your customer requirements);
- source of funds;
- requirements for criminal background checks; and
- annual reviews to monitor compliance.

Interac Corp. Regulations contain specific provisions requiring that White Label ABM Acquirers³ verify the identity of any and all White Label Cash Owners and obtain a source of funds document for any White Label ABM they connect to the INTERAC Cash Service.⁴

Each Acquirer is responsible to comply with applicable laws and with Operating Regulations for the INTERAC Cash Service including those associated with White Label ABM Cash Owners. In order for a prospective Acquirer to meet the criteria to Participate in the Service, Interac verifies its identity and conducts background checks on key personnel including directors and officers.

¹ For the purposes of this document, a White Label ABM is any ABM loaded with funds from a Cash Owner.

² The term "Cash Owner" is defined in the Interac Corp. Regulations and discussed later in the document, but in essence the term is intended to cover those who own or otherwise possess the cash that is loaded into an ABM connected to the INTERAC Cash Service.

³ For the purposes of this document an Acquirer is a Participant of Interac Corp. that connects an ABM to the IMN to facilitate transactions based on a request message from a Cardholder for delivery to an Issuer

⁴ The INTERAC Cash Service Network is the service that allows Canadians to withdraw money from an ABM that doesn't belong to their financial institution.

3. WHITE LABEL ABM CASH OWNERS - APPLICABILITY

The Regulations apply to all “White Label ABM Cash Owners”. A White Label ABM Cash Owner is defined as any person or entity that has declared itself to be either the owner of the cash or the person or entity that possesses the cash that is loaded into an ABM connected to the INTERAC Cash Service. A White Label ABM Cash Owner may also be the holder of the account through which the funds from the ABM are settled.

The term “Cash Owner” would not apply where the individual or entity can demonstrate to the Acquirer’s reasonable satisfaction that it is a regulated Financial Institution or a registered Canadian casino that holds a valid gaming certificate or lottery license.

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8. RECORD KEEPING REQUIREMENTS FOR ENTITIES – CASH OWNERS

The following documentation must be kept on file:

- Entity Name;
- Civic address (Post Office Box not acceptable);
- Name of person declared as the Cash Owner on the source of funds declaration;
- Name of Primary Contact if different than person signing Cash Owner source of funds declaration;
- Primary Contact phone number;
- E-mail address (if available);
- Title of person declaring the entity as the Cash Owner on the source of funds declaration;
- Principal business, incorporation or registration number (and jurisdiction of incorporation or registration); and
- Name, address and date of birth of all directors and owners of 25% or more of the shares of the entity.

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1 [REDACTED]
2 [REDACTED]

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3 [REDACTED]
4 [REDACTED]
5 [REDACTED]
6 [REDACTED]

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15. ACQUIRER'S RESPONSIBILITY FOR THE REVIEW

Under the Corporation's Regulations the Acquirer is responsible for ensuring that Reviews by a qualified auditor are conducted for each Cash Owner it connects to the INTERAC Cash Service.

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