

## MEMORANDUM OF UNDERSTANDING

**BETWEEN:**           **THE FINANCIAL TRANSACTIONS AND REPORTS ANALYSIS  
CENTRE OF CANADA**

represented by the Deputy Director - Operations and herein referred to as  
"FINTRAC"

**AND:**               **REAL ESTATE COUNCIL OF BRITISH COLUMBIA**

represented by the Executive Officer and herein referred to as "RECBC"

hereinafter each, a "Party", or collectively, the "Parties".

**WHEREAS** the Parties wish to establish a framework to share information and minimize any potential duplication or overlap of work under their respective legislative mandates and given their common interests for combating money laundering and terrorist activity financing and for protecting the public interest, which is in line with subsection 73(2)(c) of the *Real Estate Services Act*.

The Parties have reached the following understanding:

### 1 PURPOSE

- 1.1 This Memorandum of Understanding ("MOU") establishes the administrative framework for the sharing of information between the Parties for purposes relating to compliance with Part 1 or 1.1 of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act (PC(ML)TFA)* (such as record-keeping, client identification, policies and procedures, training, risk assessments and program review), which are in line with the objects of RECBC set out at s. 73(2) of the *Real Estate Services Act*.
- 1.2 This MOU sets out the information that the Parties may share between them for the purposes specified in subsection 1.1 of this MOU and the terms and conditions that apply to such sharing of information.
- 1.3 This MOU applies in respect of all licensees regulated by RECBC in the Province of British Columbia to which Parts 1 and 1.1 of the *PC(ML)TFA* apply (each, a "Licensee" or collectively, "Licensees").

### 2 LEGISLATIVE AUTHORITY

- 2.1 Paragraph 66(1) of the *PC(ML)TFA* authorizes FINTRAC to, for the purpose of exercising its powers or performing its duties and functions under Part 3 of the Act, enter into contracts, memoranda of understanding and other agreements with, among other persons or organizations, the government of a province in its own name or in the name of Her Majesty in right of Canada.
- 2.2 Subsection 65(2) of the *PC(ML)TFA* specifies that for the purpose of ensuring compliance with Part 1 or 1.1 of the Act, FINTRAC may disclose to or receive from any agency or body that regulates or supervises persons or entities to whom Parts 1 or 1.1 applies information relating to the compliance of those persons or entities with those Parts.
- 2.3 Subsection 65(3) of the *PC(ML)TFA* specifies that any information disclosed by FINTRAC may be used by RECBC only for purposes relating to compliance with Part 1 or 1.1 of the Act.
- 2.4 Section 122(2)(c) of the *Real Estate Services Act* authorizes RECBC to disclose Personal Information or records to a person for a purpose authorized under the *Freedom of Information and Protection of Privacy Act*.

- 2.5 Sections 33.1(1)(a.1) and 22(4)(i) of the *Freedom of Information and Protection of Privacy Act* authorize RECBC to disclose the name of each Licensee that RECBC licenses, and in relation to their licence information regarding the status of the licence, valid dates, and authority conferred by the licence (the “Licensee Status Information Provision”).

### 3 OFFICIALS

- 3.1 The following officials, for the Parties, have overall administrative responsibility for this MOU:

**For FINTRAC:**

Regional Director  
Financial Transactions and Reports Analysis Centre of Canada  
1120-1185 West Georgia Street  
Vancouver BC V6E 4E6

Personal Information [REDACTED]

**For RECBC:**

Director  
Legal Services  
Real Estate Council of BC  
900-750 West Pender Street,  
Vancouver BC V6C 2T8

Personal Information [REDACTED]

- 3.2 The Parties may name other officials for other purposes in relation to this MOU.

### 4 COMMUNICATIONS

- 4.1 In order to promote the best cooperation possible in administering this MOU, the Parties agree to continuously monitor the operation of this MOU and to hold meetings of their officials, at mutually agreed upon times and locations, to discuss matters related to compliance of RECBC licensees with Part 1 or 1.1 of the *PC(ML)TFA* and areas of mutual interest.
- 4.2 The Parties agree that at least one meeting shall be held each year.
- 4.3 Both Parties will also, in a timely manner:
- a) provide notice to the officials listed above of any new activities or initiatives, or of any change in legislation, regulations, operational policies and procedures, or practices, relating to their programs that may affect the administration of this MOU;
  - b) maintain close and on-going communication pertaining to their respective activities, as these may relate to any matters identified in this MOU; and
  - c) where appropriate, ensure timely communication / consultation occurs with respect to any existing issues and new or proposed measures, which may affect any activity or responsibility of either Party outlined in this MOU.

### 5 ACCURACY

Each Party will make every reasonable effort to ensure Personal Information shared is accurate, complete, and up-to-date.

## 6 CONFIDENTIALITY AND SECURITY OF INFORMATION

Each Party will ensure that all information received from the other Party will be treated as confidential and will make reasonable security arrangements against such risks as unauthorized access, collection, use, disclosure or disposal. Parties will not disclose the information to any other party and will use the information only for their respective purposes as set out at s. 1.1 hereof, including, for FINTRAC, that of ensuring compliance with obligations relating to Part 1 or Part 1.1 of the *PC(ML)TFA*. Unless otherwise directed in writing, each Party will store the information inside Canada and will not permit access to the information from outside Canada.

## 7 COMPLIANCE MONITORING

- 7.1 Each Party will comply with all applicable legislation respecting its recording and monitoring of access to the information it receives from the other Party.
- 7.2 Each Party will comply with all applicable legislation in respect of all reported cases of:
- a) unauthorized access to or modification of the information in its custody;
  - b) unauthorized use of the information in its custody;
  - c) unauthorized disclosure of the information in its custody; and
  - d) breaches of privacy or security with respect to the information in its custody or with respect to any computer system in its custody that is used to access the information.
- 7.3 Where it is material to this MOU, each Party will report to the other the results of any such investigation and the steps taken to address any remaining issues or concerns about the security of the information or computer systems, or the privacy of the individuals to whom the information relates.

## 8 ACCESS TO INFORMATION

Information provided to RECBC may be subject to access in accordance with the *Freedom of Information and Protection of Privacy Act* of BC and information provided to FINTRAC may be subject to access in accordance with the *Access to Information Act* or the *Privacy Act* of Canada.

## 9 ADMINISTRATIVE DETAILS

### Date in effect

- 9.1 This MOU shall come into effect immediately after it has been signed by both Parties, and shall remain in effect until terminated by the Parties in accordance with subsections 9.4 and 9.5.

### Dispute resolution

- 9.2 Any unresolved disagreement with respect to this MOU shall be referred to the appropriate officials who have overall administrative responsibility for this MOU or any named officials identified for this purpose for consideration and resolution. If those officials are not able to resolve the disagreement, it shall be resolved by the persons occupying the positions of the signatories to this MOU.

## **Additions and amendments**

- 9.3 This MOU may be amended at any time with the mutual consent of the Parties, and such amendments may be effected by an exchange of letters between the persons occupying the positions of the signatories to this MOU.

## **Termination**

- 9.4 This MOU will be terminated ninety (90) days from the date one Party gives written notice to the other Party of their intention that the MOU be terminated. For this purpose, notice must be given by a person occupying the position of the signatory to this MOU.
- 9.5 This MOU may be terminated at any time, with the mutual consent of the Parties, through an exchange of letters between the persons occupying the positions of the signatories to this MOU.

## **10 NATURE OF THIS MOU**

This MOU is an administrative understanding between the Parties and except for the obligations to protect privacy and security of Personal Information is not intended to be legally binding or enforceable before the courts.

## **11 COST SHARING**

- 11.1 The Parties agree that no costs are payable by one Party to the other Party for work routinely conducted by in accordance with this MOU.
- 11.2 In the event that FINTRAC requests to perform work, in addition to any work that RECBC would normally undertake for compliance with Part 1 or 1.1 of the *PC(ML)TFA*, and that RECBC agrees to perform such work, FINTRAC agrees to reimburse RECBC the cost of such work in an amount agreed upon prior to the work being performed.

## **12 COMPLIANCE WITH PARTS 1 AND 1.1 INFORMATION THAT MAY BE RECEIVED BY FINTRAC FROM RECBC PURSUANT TO SUBSECTION 65(2) OF THE *PC(ML)TFA* :**

- 12.1 RECBC agrees to disclose to FINTRAC, pursuant to the Licensee Status Information Provision, a list of names of all current Licensees, to be sent by email from RECBC to FINTRAC on an annual basis, or more often in response to a request by FINTRAC, made reasonably.
- 12.2 In the event that RECBC establishes a compliance review program respecting Licensee compliance with Parts 1 and 1.1 of the *PC(ML)TFA*, RECBC agrees to disclose to FINTRAC the following information, and subject always to compliance with all applicable legislation:
- a) the name of each Licensee that RECBC plans to examine for compliance with Parts 1 and 1.1 of the *PC(ML)TFA* during a given planning period and the term of the planning period;
  - b) a copy of the RECBC compliance review program used to review policies and procedures to ensure compliance with Parts 1 and 1.1 of the *PC(ML)TFA*;
  - c) a summary of the results of each compliance review undertaken by RECBC relating to compliance with Parts 1 and 1.1 of the *PC(ML)TFA*;

- d) a copy of the correspondence between RECBC and any Licensee regarding any compliance deficiencies with Parts 1 and 1.1 of the *PC(ML)TFA*;
- e) where applicable, a description of the actions, and results thereof, that RECBC has asked any Licensee to take to rectify any deficiencies with Parts 1 and 1.1 of the *PC(ML)TFA* identified; and
- f) a description of progress made by any Licensees in taking the corrective actions referenced in (e) identified.

**13 COMPLIANCE WITH PARTS 1 AND 1.1 INFORMATION THAT MAY BE DISCLOSED BY FINTRAC TO RECBC, PURSUANT TO SUBSECTION 65(2) OF THE *PC(ML)TFA* :**

**13.1** FINTRAC agrees to disclose to RECBC the following information, pursuant to subsection 65(2) of the *PC(ML)TFA* and RECBC may collect, pursuant to subsection 26(a) of the *Freedom of Information and Privacy Protection Act* and the *Real Estate Services Act*:

- a) compliance related information, such as guidance provided to Licensees regarding the reporting, record keeping, client identification and compliance regime requirements, overview of issues arising from FINTRAC's compliance program including monitoring of Licensee reporting performance, and other similar information that RECBC may use as part of its risk assessment when reviewing its Licensees for compliance with Parts 1 and 1.1 of the *PC(ML)TFA*;
- b) the results of FINTRAC's compliance actions regarding any Licensees with respect to compliance with Parts 1 and 1.1 of the *PC(ML)TFA*; and
- c) a copy of the correspondence between FINTRAC and licensees regulated by RECBC regarding their compliance deficiencies with Parts 1 and 1.1 of the *PC(ML)TFA*.

**13.2** The sharing of information pursuant to this section excludes information that would directly or indirectly identify a client of a person or entity referred to in section 5 of the *PC(ML)TFA*.

**IN WITNESS THEREOF**, this Memorandum of Understanding was signed in duplicate, each copy being equally authentic.

SIGNED in Ottawa, Ontario this 8<sup>th</sup> day of February, 2019

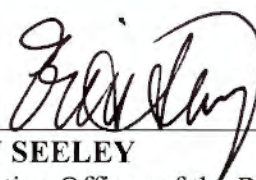
**FOR THE FINANCIAL TRANSACTIONS  
AND REPORTS ANALYSIS CENTRE OF  
CANADA**

SIGNED in Vancouver, British  
Columbia this 27 day of  
March, 2019

**FOR THE REAL ESTATE COUNCIL  
OF BRITISH COLUMBIA**



**BARRY MACKILLOP**  
Deputy Director - Operations of the Financial  
Transactions and Reports Analysis Centre of  
Canada



**ERIN SEELEY**  
Executive Officer of the Real Estate  
Council of British Columbia