

PROTECTED B once completed

BC-Canada Working Group on Real Estate – Data Work Stream Data Holdings Template

To fulfill the mandate of the BC-Canada Working Group on Real Estate's data work stream, information on data held by Canadian institutions is needed to:

1. Baseline the current data held or used by member organizations;
2. Outline data needed by the participating organizations for anti-money laundering (AML), tax compliance or mortgage fraud in real estate initiatives; and
3. Develop recommendations on data models and analysis.

The purpose of this document is to collect information on the data held at your institution.

The first section provides a tool to assess the existing data holdings of your institution. This section asks for details on the scope, format, and variables of the data sources available within your institution. Please fill out this part for each data source at your institution.

The second section details the typologies. This section requests details on the elements currently being tracked or detected at your institution relating to anti-money laundering, tax compliance and mortgage fraud, and the areas which could benefit from better data.

The completed document will be used to guide discussions with specific organisations and will later be collated by Statistics Canada and the BC Ministry of Finance as part of a feasibility study.

PROTECTED B once completed

1. Details on currently retained data

Provide information about *each data source*, making copies of the table as necessary. If a data dictionary and record layout are available, the detailed record part can be omitted to the extent that the information is provided through these documents.

Data source name:	
Data source (i.e. lawyers, notaries, home owners, law enforcement, financial institution, administrative form – e.g., taxation form, etc.)	Internal data source Mortgage Broker Tracking System – Registration info on mortgage brokers Watchdog – Investigative DB with mortgage files provided by mortgage brokers. Documents typically pdf format and Word. Data is in the form of tombstone information about subject of investigation, data about the file such as dates, status, risk assessments, etc., case notes and log entries. Entrak – Enquiry DB External Data we access from LTSA, CO Corporate Registry, ICBC
Triggering event (ad hoc or periodic, real-estate transaction, financial transaction, etc.):	New registration, renewal, filings, consumer and industry inquiries and complaints. Media reports.
Unit of observation (person, property, transaction, etc.):	Filings – annual Registration renewals – bi-annual New registrations and complaints/inquiries ad hoc
Frequency of updates/reporting:	Annual, bi-annual, ad hoc
Historical coverage: (earliest available data)	Physical files 7 years Watchdog – Dec 30, 1999 (documents in db starting 2012) Entrak – Jan 5 2005
Is this data consolidated in an integrated data base for research/investigation purposes (Y/N – if yes please describe. The following questions refer to the integrated data base or if the source data is not integrated, please describe each data source	No

PROTECTED B once completed

Records contain (please check): Note applies to mortgage transaction information collected from lenders and brokers during the course of investigations / examinations only. We have similar data on registered brokers found in 1 st column.				
Data on owners:	Data on properties:	Data on legal persons (for both owners and lenders):	Data on mortgages/loans:	Data on financial transactions (for both owners and lenders)
<input checked="" type="checkbox"/> Name <input checked="" type="checkbox"/> Address <input checked="" type="checkbox"/> SIN <input checked="" type="checkbox"/> Date of birth <input type="checkbox"/> Country of birth <input type="checkbox"/> Residency status <input checked="" type="checkbox"/> Income <input type="checkbox"/> Wealth <input checked="" type="checkbox"/> Properties owned <input checked="" type="checkbox"/> Mortgages currently held <input checked="" type="checkbox"/> Mortgages previously held <input checked="" type="checkbox"/> Marital status <input type="checkbox"/> Relatives <input type="checkbox"/> Health / institutional status <input type="checkbox"/> Legal guardians (if any) <input type="checkbox"/> Date of entry to Canada (if any) <input type="checkbox"/> Immigration class (if any) <input type="checkbox"/> Criminal record <input type="checkbox"/> Other:	<input checked="" type="checkbox"/> Address <input type="checkbox"/> Type <input checked="" type="checkbox"/> Owner <input type="checkbox"/> Beneficial owner <input type="checkbox"/> Last sales date <input type="checkbox"/> Last sales price <input type="checkbox"/> Previous sales dates <input type="checkbox"/> Previous sales prices <input type="checkbox"/> Previous owners <input type="checkbox"/> Vacancy status <input checked="" type="checkbox"/> Owner occupancy <input checked="" type="checkbox"/> Current mortgage <input checked="" type="checkbox"/> Previous mortgages <input type="checkbox"/> Number of units <input checked="" type="checkbox"/> Rent charged in units <input type="checkbox"/> Construction date <input type="checkbox"/> Assessed values at times of sales <input type="checkbox"/> Notaries on sales <input type="checkbox"/> Broker of sales <input type="checkbox"/> Other:	<input type="checkbox"/> Identifiers <input type="checkbox"/> Shareholders <input type="checkbox"/> Directors <input type="checkbox"/> Address (incl. country) <input type="checkbox"/> Date of birth/incorporation/establishment <input type="checkbox"/> Country of incorporation <input type="checkbox"/> Current revenue <input type="checkbox"/> Historic revenue <input type="checkbox"/> Current assets <input type="checkbox"/> Historic assets <input type="checkbox"/> Number of employees <input type="checkbox"/> Historic number of employees <input type="checkbox"/> Regulators (for lenders) <input type="checkbox"/> Ownership structure <input type="checkbox"/> Beneficial owners <input type="checkbox"/> Industry <input type="checkbox"/> Other:	<input type="checkbox"/> Counterparties x Size x Term x Rate of interest <input type="checkbox"/> Adjustability of rate x Down payment x Mortgaged property <input type="checkbox"/> Assessed value of mortgaged property <input type="checkbox"/> Payment history (dates and amounts) x Date signed <input type="checkbox"/> Date closed (if any) <input type="checkbox"/> Current outstanding amount <input type="checkbox"/> Mortgage payment sources (cash, international transfer, domestic transfer) <input type="checkbox"/> Date transferred <input type="checkbox"/> First date more than 90 days in arrears Appraised value <input type="checkbox"/> Other:	<input type="checkbox"/> Large transaction sending countries <input type="checkbox"/> Large transaction receiving countries <input type="checkbox"/> Large transaction dates <input type="checkbox"/> Large transaction amounts <input type="checkbox"/> Suspicious Transaction Reports against <input type="checkbox"/> Suspicious Transaction counterparties <input type="checkbox"/> Other:

PROTECTED B once completed

Comments:	Comments:	Comments:	Comments:	Comments:
Internal identifiers linking to natural persons (i.e. SIN, DoB, ITN, etc):	SIN, DOB, Government Issued ID, Mortgage Broker Registration Number for mortgage broker registrants in MBTS database			
Internal identifiers linking to legal persons (i.e. business number, trust number, etc.):	Corporate registry number, Mortgage Broker Registration number for mortgage broker registrants			
Internal identifiers linking to properties: (e.g., property numbers, addresses, legal descriptions, geo codes)	Business and service addresses for mortgage broker registrants; property descriptors found in mortgage transaction documents collected in the course of investigations / examinations			
Internal identifiers linking to mortgages:	As above			
What format is the data in (i.e. Excel files, SQL database, PDF files, etc.):	<ul style="list-style-type: none"> • Mortgage Broker Tracking System (MBTS) tombstone data and registration information built on ASPX/Vb.net pulling from a SQL database • Watchdog and Entrak (investigations and inquiries) built on IBM Notes. 			
Data impediments: (data quality, classification incoherence, timing, interpretability)	<ul style="list-style-type: none"> • Inconsistent data entry, until last few years, data was stored in a mix of electronic (as described above) and paper files • Documents received from brokers, typically PDF may not be OCR and not searchable. 			
Operational impediments to sharing the data: (e.g. IT, human resources – skill, capacity)	IT, human resources, capacity – Note BCFSA undergoing information system transformation / modernization and expect significant improvement to data quality and accessibility			
Policy, corporate and legal	<ul style="list-style-type: none"> • Mainly legal - FOI, Privacy legislation 			

PROTECTED B once completed

impediments to sharing the data:	<ul style="list-style-type: none">• Possible issues sharing data with non-law enforcement entities (e.g. Stats Canada).
---	---

PROTECTED B once completed

2. Money laundering activities tracked

This section details the typology framework which is composed of four hierarchical levels:

1. Schemes: high level category of activity (broad approach or general intent) associated with the sub-schemes used to launder money.
2. Sub-schemes: the specific mechanisms that are used to launder money within each group.
3. Indicators: potential measures to detect the given ML sub-scheme.
4. Data-points: the particular data elements that are required to produce the given indicator.

The purpose of this section is to understand which schemes your institution tracks, detects or investigates, and which data sources are used for money laundering, tax compliance, or mortgage fraud work.

Please add any schemes and sub-schemes which are used but not listed to the subsequent table, particularly those that relate to tax fraud or mortgage compliance, as the typologies listed focus on money laundering (ML) through real estate.

Scheme:	Sub-Scheme	Tracked	Detected or Investigated	Data sources used	Comments
Obscuring beneficial ownership	By using a shell corporation	<input type="checkbox"/>	<input type="checkbox"/>		
	By using a nominee owner	<input type="checkbox"/>	<input type="checkbox"/>		
	By having an unclear address	<input type="checkbox"/>	<input type="checkbox"/>		
	By providing inconsistent or false information/ forged documents	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		
Mortgage-based: continuously funnelling dirty funds through regular payments	By acquiring many mortgages	<input type="checkbox"/>	<input type="checkbox"/>		
	By repeatedly mortgaging a property	<input type="checkbox"/>	<input type="checkbox"/>		
	By acquiring an outsized mortgage	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
	By lending the money to oneself	<input type="checkbox"/>	<input type="checkbox"/>		
	By acquiring very valuable property or many properties	<input type="checkbox"/>	<input type="checkbox"/>		
	By taking over existing mortgages	<input type="checkbox"/>	<input type="checkbox"/>		
	By making mortgage	<input type="checkbox"/>	<input type="checkbox"/>		Not known but aware some MIC may

PROTECTED B once completed

	payments in cash				accept payments. Some payments may be made to person/company in a foreign country
	By providing falsified mortgage application documents.	<input type="checkbox"/>	<input type="checkbox"/>		
Purchase mechanisms: acquiring ownership with dirty funds	By undervaluing and paying the difference under the table	<input type="checkbox"/>	<input type="checkbox"/>		
	By buying the house outright with dirty or mixed funds	<input type="checkbox"/>	<input type="checkbox"/>		
	By defaulting on a loan to one-self or an associate	<input type="checkbox"/>	<input type="checkbox"/>		
Flipping houses: laundering with each transaction	By buying a property and selling it as soon as possible	<input type="checkbox"/>	<input type="checkbox"/>		
	By conspiring with the owner and selling it back to them	<input type="checkbox"/>	<input type="checkbox"/>		
	By renovating a property with cash/dirty funds	<input type="checkbox"/>	<input type="checkbox"/>		
Hiding capital in other jurisdictions	By purchasing property in a stable country with strong property rights	<input type="checkbox"/>	<input type="checkbox"/>		
Cancelling real estate transactions	By paying a deposit, reneging, and receiving a clean refund	<input type="checkbox"/>	<input type="checkbox"/>		
Acquiring an income source and mixing in dirty funds	By purchasing a cash-heavy business and padding business income	<input type="checkbox"/>	<input type="checkbox"/>		
	By purchasing a money services business and hide laundering transactions	<input type="checkbox"/>	<input type="checkbox"/>		
	By purchasing rental property and padding rental income	<input type="checkbox"/>	<input type="checkbox"/>		
Financial capacity	Lacking income or wealth	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		Typically income not required for MIC/privates as lending based on equity in property. However altered appraisals

PROTECTED B once completed

					to increase value of property and/or altered NOA's to confirm no income tax owing could be an issue.
--	--	--	--	--	--

PROTECTED B once completed

Other schemes:

Scheme:	Sub-Scheme	Tracked	Detected or Investigated	Data sources used	Comments
		<input type="checkbox"/>	<input type="checkbox"/>		
		<input type="checkbox"/>	<input type="checkbox"/>		
		<input type="checkbox"/>	<input type="checkbox"/>		

Data gaps

Are there other data not listed about that your organization would require in order to track/identify the above schemes?

Financial statements for MIC and private lenders; beneficial ownership of registered mortgage brokers / lenders; source of funds from investors into mortgages

Recommendations for data improvements.

Which data would be useful for your operations but cannot be accessed by your organization?

Source of funds, KYC, More robust LTSA & court services search capabilities. CPIC (Police DB for intel)

PROTECTED B once completed

Which data/information would be useful for your operations but is not currently being collected by any known source?

What are the highest value changes which could be made, with respect to data, which would best facilitate AML work at your institution?

Beneficial owner of mortgages and mortgage brokerages. Intl watch list for politically exposed individuals