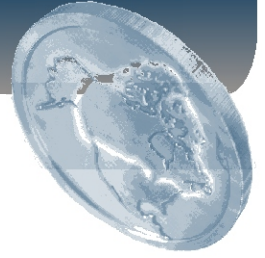


# SECURITIES DEALERS

## Legislative Requirements



The following is a summary of the legislative requirements under the PCMLTFA applicable to securities dealers, a person or entity authorized under provincial legislation to engage in the business of dealing in securities, portfolio management or investment counselling.

### REPORTING

#### Suspicious Transactions

You must report where there are reasonable grounds to suspect that a transaction is related to the commission of a money laundering offence or to the financing of a terrorist activity.

*See Guideline 2: Suspicious Transactions and Guideline 3: Submitting Suspicious Transaction Reports to FINTRAC*

#### Terrorist Property

You must report where you know that there is property in your possession or control that is owned or controlled by or on behalf of a terrorist or a terrorist group.

*See Guideline 5: Submitting Terrorist Property Reports to FINTRAC*

#### Large Cash Transactions

Effective January 31, 2003, large cash transactions involving amounts of \$10,000 or more received in cash, must be reported.

*See Guideline 7: Submitting Large Cash Transaction Reports to FINTRAC*

### RECORD KEEPING

The following records must be kept:

- Large cash transactions records
- Signature cards, account operating agreements or account applications
- Copies of official corporate records (binding provisions)
- Account holder information
- New account applications
- Confirmations of purchase or sale
- Guarantees
- Trade authorizations
- Powers of attorney
- Joint account agreements
- Correspondence pertaining to the operation of accounts
- Account statements

*See Guideline 6: Record Keeping and Client Identification*

### ASCERTAINING IDENTIFICATION

Specific measures must be taken to identify the following individuals or entities:

- Any individual who conducts a large cash transaction
- Any individual who signs a signature card
- Any individual who is authorized to give instructions for an account
- Any corporation or other entity for which you open an account

*See Guideline 6: Record Keeping and Client Identification*

### THIRD-PARTY DETERMINATION

Where a large cash transaction record is required, you must take reasonable measures to determine whether the individual is acting on behalf of a third party.

When an account is opened, you must take reasonable measures to determine whether it is to be used by or on behalf of a third party.

In cases where a third party is involved, specific information about the third party and the relationship with the individual providing the cash or account holder must be obtained.

*See Guideline 6: Record Keeping and Client Identification*

### COMPLIANCE REGIME

The following four elements must be included in a compliance regime:

- The appointment of a compliance officer
- The development and application of compliance policies and procedures
- Periodic review of the effectiveness of policies and procedures
- Implementation of an ongoing compliance training program

*See Guideline 4: Implementation of a Compliance Regime*