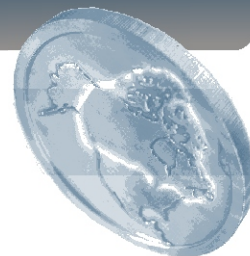


MONEY SERVICES BUSINESS

Legislative Requirements



The following is a summary of the legislative requirements under the PCMLTFA applicable to those engaged in the business of remitting or transmitting funds by any means, through any person, entity or electronic funds transfer network. It also applies to those parties who are in the business of issuing or redeeming money orders, travellers' cheques or other similar negotiable instruments. Money service businesses include alternative money remittance systems (such as Hawala, Hundi or Chitti), as well as financial entities involved in the remittance or transfer of funds, the issuance or redemption of money orders, travellers' cheques or other similar negotiable instruments, for anyone who is not an account holder.

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*

Electronic Funds Transfers

Effective March 31, 2003, an international electronic funds transfer must be reported (i.e. the transmission of instructions at the request of a client for a transfer of \$10,000 or more through any electronic, magnetic or optical device, telephone instrument or computer).

See *Guideline 8: Submitting Electronic Funds Transfer Reports to FINTRAC*

RECORD KEEPING

The following records must be kept:

- Large cash transaction records
- Client information records
- Records for the sale of travellers' cheques, money orders or other similar instruments in the amount of \$3,000 or more
- Records for money orders cashed in the amount of \$3,000 or more
- Records for transmission or remittance of \$3,000 or more by any means, through any person, entity or electronic funds transfer network
- Copies of official corporate records (binding provisions)

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 or entity with which you have an ongoing business relationship
- Any individual for whom an amount of \$3,000 or more is issued, redeemed, remitted or transmitted

See *Guideline 6: Record Keeping and Client Identification*

THIRD-PARTY DETERMINATION

Where a large cash transaction record is required, or when you create a client information record, you must take reasonable measures to determine whether the individual is acting 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*

