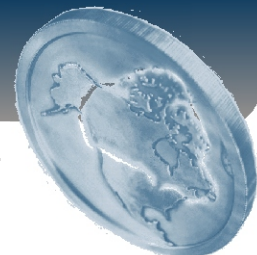


# FINANCIAL ENTITIES

## Legislative Requirements



The following is a summary of the legislative requirements under the PCMLTFA applicable to financial entities. This includes banks, savings and credit unions, caisses populaires, cooperative credit societies, and trust and loan companies.

### 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. Exceptions are applicable to certain corporate clients.

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

#### Electronic Funds Transfers

Where a SWIFT MT 100 or MT 103 message for the international electronic transfer of funds of \$10,000 or more is sent or received, it must be reported.

Effective March 31, 2003, this will also include the transmission of instructions at the request of a client involving the transfer of \$10,000 or more through any electronic, magnetic or optical device, telephone instrument or computer, including a SWIFT 100 or 103 message.

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

### RECORD KEEPING

The following records must be kept:

- Large cash transactions records
- Signature cards
- A copy of official corporate records (binding provisions)
- Account holder information
- Account operating agreements
- Deposit slips
- Debit and credit memos
- Account statements
- Cleared cheques drawn on or deposited to an account
- Client credit files
- Foreign currency exchange transaction tickets
- A copy of the trust deed and settlor's identification (trust companies)

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 signs a signature card or conducts a large cash transaction
- Any individual who requests an electronic funds transfer of \$10,000 or more, or who conducts a foreign exchange transaction of \$3,000 or more unless a signed signature card exists
- Any corporation or other entity for which you open an account
- Any settlor or co-trustee of a trust

See *Guideline 6: Record Keeping and Client Identification*

### THIRD-PARTY DETERMINATION

Where a large cash transaction record is required, or when a signature card is created, 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*