

PRESS RELEASE**FOR IMMEDIATE RELEASE****October 22, 2001****Canadian securities regulators help in tracking down terrorist money**

Vancouver - Canada's provincial securities regulators have set up a system to receive monthly reports from financial firms on their reviews of client records for dealings with named terrorists or terrorist organizations. The reports are required under new federal regulations designed to halt the funding of terrorism.

On Oct. 2, 2001, the Government of Canada announced it had implemented new regulations aimed at suppressing the financing in Canada of terrorism and at freezing the assets of listed persons.

The United Nations Suppression of Terrorism Regulations put in place key measures in a resolution adopted by the United Nations Security Council on Sept. 28, 2001. The Council calls on all member states to freeze without delay the assets of those who commit or attempt to commit terrorist acts or facilitate the commission of terrorist acts. It also calls on members to prohibit the collection of funds for terrorist activities. The regulations include a list of terrorists and terrorist organizations.

Provincial securities regulators and the Investment Dealers Association of Canada (IDA) are notifying securities firms -- any organizations that deal in securities, engage in portfolio management or investment counseling -- that they must review their client lists for these names and file monthly reports to their provincial commissions. Firms must also report to the Royal Canadian Mounted Police (RCMP) or the Canadian Security Intelligence Service (CSIS) on any dealings with named persons or organizations.

"We have set up a system to help securities firms comply with this new federal requirement," said Doug Hyndman, Chair of the Canadian Securities Administrators (CSA), the umbrella organization representing the 13 provincial and territorial securities commissions.

"Our objective was to provide an efficient way for firms to meet their new obligations and support the international effort to cut terrorist organizations off from sources of funding," Hyndman said.

The new federal regulations impose duties on all Canadian financial institutions. They include:

- **Freeze Property:** Any property held either directly or indirectly on behalf of a listed person must be held and frozen.
- **Disclose:** Firms must promptly report to both the RCMP and CSIS any property held for any listed person and any details about actual or proposed transactions concerning the property.

- **Review and Make Filings:** Firms must review their records on a continuing basis for any dealings with listed persons and report their findings monthly to their federal or provincial regulatory body. The first report is due this week with subsequent reports to be filed on the 15th day of each month. Securities firms can contact their respective commissions about the report filing procedures and requirements.

For the most up-to-date list of terrorists and terrorist organizations, visit the website of the Office of the Superintendent of Financial Institutions (OSFI) at www.osfi-bsif.gc.ca.

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