

## MEMBER REGULATION



INVESTMENT DEALERS  
ASSOCIATION OF CANADA

# notice



ASSOCIATION CANADIENNE DES  
COURTIERS EN VALEURS MOBILIÈRES

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**MR0189**

*December 23, 2002*

ATTENTION:  
Ultimate Designated Persons  
Chief Financial Officers  
Panel Auditors

**Distribute internally to:**

- Corporate Finance
- Credit
- Institutional
- Internal Audit
- Legal & Compliance
- Operations
- Registration
- Regulatory Accounting
- Research
- Retail
- Senior Management
- Trading desk
- Training

### **Advisory Regarding Dealings with Clients Located in the Ukraine**

The Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) today issued an advisory to all Canadian financial institutions, money service businesses and other entities, who are subject to the requirements of the Proceeds of Crime (Money Laundering) and Terrorist Financing Act, alerting them to the risk of doing business with individuals and companies based in the Ukraine. This follows the decision of the Financial Action Task Force (FATF), at its October 2002 meeting, to place countermeasures against the Ukraine if it failed to enact appropriate anti-money laundering legislation by December 15, 2002. Canada is a member of the FATF and strongly supports its efforts to combat money laundering and terrorist financing.

Financial transactions emanating from, or destined to, the Ukraine should be viewed by Members as potentially suspicious. Members are urged to exercise an enhanced level of scrutiny when dealing with transactions involving this jurisdiction.

In September 2001, the FATF identified the Ukraine as a Non-cooperative Country and Territory (NCCT) because it lacked comprehensive anti-money laundering legislation, including the failure to establish an efficient mandatory suspicious transaction reporting regime and proper customer identification requirements. On December 7, 2002, the Ukraine enacted the Law of Ukraine on Prevention and Counteraction of the Legalization (Laundering) of the Proceeds from Crime." This legislation, however, does not meet international standards and does not address the main deficiencies identified by the FATF in September 2001.