

Appendix A

Selected changes to the *Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations* effective June 30, 2007

Definition added to Section 1(1)

"shell bank" means a foreign financial institution that does not have a physical presence in any country, unless it is controlled by or is under common control with a depository institution, credit union or foreign financial institution that maintains a physical presence in Canada or in a foreign country.

Changes to definitions in Section 1(2)

"electronic funds transfer" means the transmission — through any electronic, magnetic or optical device, telephone instrument or computer — of instructions for the transfer of funds, other than the transfer of funds within Canada. In the case of SWIFT messages, only SWIFT MT 103 messages are included.

"financial entity" means an authorized foreign bank within the meaning of section 2 of the *Bank Act* in respect of its business in Canada or a bank to which that Act applies, a cooperative credit society, savings and credit union or caisse populaire that is regulated by a provincial Act, an association that is regulated by the *Cooperative Credit Associations Act*, a company to which the *Trust and Loan Companies Act* applies and a trust company or loan company regulated by a provincial Act. It includes a department or agent of Her Majesty in right of Canada or of a province when the department or agent is carrying out an activity referred to in section 45.

Definitions added to Section 1(2)

"correspondent banking relationship" has the same meaning as in subsection 9.4(3) of the Act.

"physical presence" means, in respect of a foreign financial institution, a place of business that is maintained by the institution, is located at a fixed address in a country in which the institution is authorized to conduct banking activities — at which address it employs one or more individuals on a full-time basis and maintains operating records related to its banking activities — and is subject to inspection by the banking authority that licensed the institution to conduct banking activities.

SINGLE TRANSACTIONS

3. (1) In these Regulations, two or more cash transactions or electronic funds transfers of less than \$10,000 each that are made within 24 consecutive hours and that total \$10,000 or more are considered to be a single transaction of \$10,000 or more if

(a) where a person is required to keep a large cash transaction record or to report an electronic funds transfer in accordance with these Regulations, the person knows that the transactions or transfers are conducted by, or on behalf of, the same person or entity; and

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(b) where an entity is required to keep a large cash transaction record or to report an electronic funds transfer in accordance with these Regulations, an employee or a senior officer of the entity knows that the transactions or transfers are conducted by, or on behalf of, the same person or entity.

(2) For greater certainty, subsection (1) does not apply in respect of an electronic funds transfer sent to two or more beneficiaries where the transfer is requested by

(a) a public body or a corporation referred to in paragraph 62(2)(b); or

(b) an administrator of a pension fund that is regulated by or under an Act of Parliament or of the legislature of a province.

Change to Section 9(5)(a)

(5) Subsection (2) does not apply where a securities dealer is required to keep an account operating agreement in respect of an account of a person or entity that is engaged in the business of dealing in securities only outside of Canada, or would be required to do so if not for subsection 23(2), and where

(a) the account is in a country that is a member of the Financial Action Task Force;

Changes to Section 52

52. (1) The requirement to report information set out in Schedules 1 to 6 does not apply to a person or entity in respect of information set out in an item of any of those Schedules that is not marked with an asterisk if, after taking reasonable measures to do so, the person or entity is unable to obtain the information.

(2) The requirement that a person or entity keep or retain a record or include information in it does not apply if the information that must be found in the record is readily obtainable from other records that the person or entity is required to keep or retain under these Regulations.

(3) Despite subsection (1), for the application of section 3(1), the requirement to report information set out in Schedules 1 to 3, 5 and 6 does not apply to a person or entity in respect of information set out in an item of any of those Schedules that is marked with an asterisk if, after taking reasonable measures to do so, the person or entity is unable to obtain the information.

(4) For greater certainty, Schedules 2 and 3 apply only to SWIFT members sending or receiving SWIFT messages.