

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 100 and~~ 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 ~~where~~ 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 ~~on Money Laundering~~;

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 ~~large cash transaction~~ 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.

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Changes to Section 5 of PCMLTFA

APPLICATION

Application of Part

5. This Part applies to the following persons and entities:

- (a) authorized foreign banks within the meaning of section 2 of the Bank Act in respect of their business in Canada, or banks to which that Act applies;
- (b) cooperative credit societies, savings and credit unions and caisses populaires regulated by a provincial Act and associations regulated by the Cooperative Credit Associations Act;
- (c) life companies or foreign life companies to which the Insurance Companies Act applies or life insurance companies regulated by a provincial Act;
- (d) companies to which the Trust and Loan Companies Act applies;
- (e) trust companies regulated by a provincial Act;
- (f) loan companies regulated by a provincial Act;
- (g) persons and entities authorized under provincial legislation to engage in the business of dealing in securities or any other financial instruments, or to provide portfolio management or investment counselling services;
- (h) persons and entities engaged in the business of foreign exchange dealing, of remitting funds or transmitting funds by any means or through any person, entity or electronic funds transfer network, or of issuing or redeeming money orders, traveller's cheques or other similar negotiable instruments except for cheques payable to a named person or entity;
- (i) persons and entities engaged in a business, profession or activity described in regulations made under paragraph 73(1)(a);
- (j) persons and entities engaged in a business or profession described in regulations made under paragraph 73(1)(b), while carrying out the activities described in the regulations;
- (k) casinos, as defined in the regulations, including those owned or controlled by Her Majesty;
- (l) departments and agents of Her Majesty in right of Canada or of a province that are engaged in the business of accepting deposit liabilities or that sell money orders to the

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public, while carrying out the activities described in regulations made under paragraph 73(1)(c); and

(m) for the purposes of section 7, employees of a person or entity referred to in any of paragraphs (a) to (l).

Changes to Section 7 of PCMLTFA

REPORTING AND OTHER REQUIREMENTS

Transactions if reasonable grounds to suspect

7. ~~In addition to the requirements of subsection 9(1),~~ Subject to section 10.1, every person or entity referred to in section 5 shall report to the Centre, in the prescribed form and manner, every financial transaction that occurs or that is attempted in the course of their activities and in respect of which there are reasonable grounds to suspect that

(a) the transaction is related to the commission or the attempted commission of a money laundering offence; or

(b) the transaction is related to the commission or the attempted commission of a terrorist activity financing offence.

Changes to Section 7.1 of PCMLTFA

Disclosure

7.1 (1) ~~In addition to the requirements of section 7 and subsection 9(1),~~ Every person or entity that is required to make a disclosure under section 83.1 of the *Criminal Code* or under section 8 of the Regulations Implementing the United Nations Resolutions on the Suppression of Terrorism shall also make a report on it to the Centre, in the prescribed form and manner.

Limitation

(2) Subsection (1) does not apply to prescribed persons or entities, or prescribed classes of persons or entities, in respect of prescribed transactions or property, or classes of transactions or property, if the prescribed conditions are met.

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New Sections 9.2, 9.3 and 9.5 to 9.8 of PCMLTFA

Inability to establish identity

9.2 No person or entity referred to in section 5 shall open an account for a client, in the prescribed circumstances, if it cannot establish the identity of the client in accordance with the prescribed measures.

Politically exposed foreign persons

9.3 (1) Every person or entity that is referred to in section 5 and that is prescribed shall determine, in the prescribed circumstances and in accordance with the regulations, whether it is dealing with a politically exposed foreign person.

Measures

(2) If the person or entity determines that it is dealing with a politically exposed foreign person, the person or entity shall obtain the approval of senior management in the prescribed circumstances and take prescribed measures.

Definition of “politically exposed foreign person”

(3) For the purposes of this section, “politically exposed foreign person” means a person who holds or has held one of the following offices or positions in or on behalf of a foreign state:

- (a) head of state or head of government;
- (b) member of the executive council of government or member of a legislature;
- (c) deputy minister or equivalent rank;
- (d) ambassador or attaché or counsellor of an ambassador;
- (e) military officer with a rank of general or above;
- (f) president of a state-owned company or a state-owned bank;
- (g) head of a government agency;
- (h) judge;
- (i) leader or president of a political party represented in a legislature; or
- (j) holder of any prescribed office or position.

It includes any prescribed family member of such a person.

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Electronic funds transfer

9.5 Every person or entity that is referred to in section 5 and that is prescribed shall, in respect of a prescribed electronic funds transfer that occurs in the course of their financial activities,

(a) include with the transfer the name, address, and account number or other reference number, if any, of the client who requested it, and any prescribed information;

(b) take reasonable measures to ensure that any transfer that the person or entity receives includes that information; and

(c) take any prescribed measures.

Compliance program

9.6 (1) Every person or entity referred to in section 5 shall establish and implement, in accordance with the regulations, a program intended to ensure their compliance with this Part.

Risk assessment

(2) The program shall include the development and application of policies and procedures for the person or entity to assess, in the course of their activities, the risk of a money laundering offence or a terrorist activity financing offence.

Special measures

(3) If the person or entity considers that the risk referred to in subsection (2) is high, the person or entity shall take prescribed special measures for identifying clients, keeping records and monitoring financial transactions in respect of the activities that pose the high risk.

Foreign subsidiaries

9.7 (1) Every person or entity referred to in any of paragraphs 5(a) to (g), except for authorized foreign banks within the meaning of section 2 of the *Bank Act* and for authorized foreign companies within the meaning of section 2 of the *Insurance Companies Act*, shall ensure that their wholly owned subsidiaries, that are located in a country that is not a member of the Financial Action Task Force and that carry out activities similar to those of persons and entities referred to in those paragraphs, develop and apply policies and procedures that are consistent with the requirements of sections 6, 6.1 and 9.6 when the laws of the country permit it.

Record keeping

(2) If the development or application by a subsidiary of a policy or procedure referred to in subsection (1) would contravene the laws of the country in which the subsidiary is located, the person or entity shall keep and retain a record of that fact in accordance with section 6.

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Definition of “Financial Action Task Force”

(3) For the purposes of this section, “Financial Action Task Force” means the Financial Action Task Force on Money Laundering established in 1989.

Foreign branches

9.8 Every entity referred to in paragraphs 5(a) to (g), except for authorized foreign banks within the meaning of section 2 of the *Bank Act* and for authorized foreign companies within the meaning of section 2 of the *Insurance Companies Act*, shall ensure that their branches, that are located in a country that is not a member of the Financial Action Task Force and that carry out activities similar to those of persons and entities referred to in those paragraphs, develop and apply policies and procedures that are consistent with the requirements of sections 6, 6.1 and 9.6 when the laws of the country permit it.

New Sections 11.1 and 11.11 to 11.19, 11.2 to 11.4, 54.1 and 77.1 of PCMLTFA

These changes related to a registration regime for foreign exchange dealers and other prescribed types of entities.

Changes to Section 79(a) of PCMLTFA

Offence by employee, ~~or agent~~ or mandatary

79. In a prosecution for an offence under section 75, ~~or 77~~ or 77.1,

(a) it is sufficient proof of the offence to establish that it was committed by an employee, ~~or agent~~ or mandatary of the accused, whether or not the employee, ~~or agent~~ or mandatary is identified or has been prosecuted for the offence; and

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INTERPRETATION

1. (1) The following definitions apply in the Act and in these Regulations. ~~For the purposes of the Act and in these Regulations,~~

casino. means a person or entity that is licensed, registered, permitted or otherwise authorized to do business under any of paragraphs 207(1)(a) to (g) of the *Criminal Code* and that conducts its business activities in a permanent ~~has an~~ establishment

(a) that the person or entity holds out to be a casino and in which roulette or card games are carried on; or

(b) where there is a slot machine, which, for the purposes of this definition, does not include a video lottery terminal.

It does not include a person or entity that is a registered charity as defined in subsection 248(1) of the *Income Tax Act* and is licensed, registered, permitted or otherwise authorized to carry on business temporarily for charitable purposes, if the business is carried out in the establishment of a casino for not more than two consecutive days at a time under the supervision of ~~an employee of the establishment~~ the casino²⁰⁰⁷.

"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.^{(2007)*}

(2) The following definitions apply in these Regulations.

"accountant" means a chartered accountant, a certified general accountant or a certified management accountant.

"accounting firm" means an entity that is engaged in the business of providing accounting services to the public and has at least one partner, employee or administrator that is an accountant.

"Act" means the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*.

"annuity" has the same meaning as in subsection 248(1) of the *Income Tax Act*.

* Amendments effective June 30, 2007 are marked ⁽²⁰⁰⁷⁾. All other amendments are to be implemented June 23, 2008.

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"cash" means coins referred to in section 7 of the *Currency Act*, notes issued by the Bank of Canada pursuant to the *Bank of Canada Act* that are intended for circulation in Canada or coins or bank notes of countries other than Canada.

"CICA Handbook" means the handbook prepared and published by the Canadian Institute of Chartered Accountants, as amended from time to time.

"client credit file" means a record that relates to a credit arrangement with a client and includes the name, address and financial capacity of the client, the terms of the credit arrangement, the nature of the principal business or occupation of the client, the name of the business, if any, and the address of the client's business or place of work.

"client information record" means a record that sets out a client's name, ~~and~~ address and date of birth and the nature of the client's principal business or occupation.

"correspondent banking relationship" has the same meaning as in subsection 9.4(3) of the Act. ⁽²⁰⁰⁷⁾

"deferred profit sharing plan" has the same meaning as in subsection 248(1) of the *Income Tax Act*.

"deposit slip" means a record that sets out the date of a deposit, the holder of the account in whose name the deposit is made, the number of the account, the amount of the deposit and any part of the deposit that is made in cash.

"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 100 and~~ ⁽²⁰⁰⁷⁾ SWIFT MT 103 messages are included.

"employees profit sharing plan" has the same meaning as in subsection 248(1) of the *Income Tax Act*.

"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 ~~where~~ ⁽²⁰⁰⁷⁾ the department or agent is carrying out an activity referred to in section 45.

"funds" means cash, currency or securities, or negotiable instruments or other financial instruments, in any form, that indicate a person's or an entity's title or interest in them.

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"*inter vivos* trust" means a personal trust, other than a trust created by will.

"large cash transaction record" means a record that indicates the receipt of an amount of \$10,000 or more in cash in the course of a single transaction and that contains the following information:

(a) as the case may be

(i) if the amount is received for deposit by a financial entity, the name of each person or entity in whose account the amount is deposited, or

(ii) in any other case, the name of the person from whom the amount is in fact received, their address and date of birth and the nature of their principal business or occupation, if the information is not readily obtainable from other records that the recipient keeps and retains under these Regulations;

(b) the date of the transaction;

(c) where the transaction is a deposit that is made during normal business hours of the recipient, the time of the deposit or, where the transaction is a deposit that is made by means of a night deposit before or after those hours, an indication that the deposit was a night deposit;

(d) the number of any account that is affected by the transaction, and the type of that account, the full name of any person or entity that holds the account and the currency in which account transactions are conducted;

(e) the purpose and details of the transaction, including other persons or entities involved and the type of transaction (such as cash, electronic funds transfer, deposit, currency exchange or the purchase or cashing of a cheque, money order, traveller's cheque or banker's draft);

(f) whether the cash is received by armoured car, in person, by mail or in any other way; and

(g) the amount and currency of the cash received.

"life insurance broker or agent" means a person or entity that is registered or licensed under provincial legislation to carry on the business of arranging contracts of life insurance.

"life insurance company" means a life company or foreign life company to which the *Insurance Companies Act* applies or a life insurance company regulated by a provincial Act.

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"money services business" means a person or entity referred to in paragraph 5(h) of the Act. ~~that is engaged in the business of remitting funds or transmitting funds by any means or through any person, entity or electronic funds transfer network, or of issuing or redeeming money orders, traveller's cheques or other similar negotiable instruments. It includes a financial entity when it carries out one of those activities with a person or entity that is not an account holder.~~

"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. ⁽²⁰⁰⁷⁾

"public body" means

- (a) any department or agent of Her Majesty in right of Canada or of a province;
- (b) an incorporated city, town, village, metropolitan authority, township, district, county, rural municipality or other incorporated municipal body or an agent of any of them; and
- (c) an organization that operates a public hospital and that is designated by the Minister of National Revenue as a hospital authority under the *Excise Tax Act*, or any agent of such an organization.

"real estate broker or sales representative" means a person or entity that is registered or licensed under provincial legislation in respect of the sale or purchase of real estate.

"receipt of funds record" means, in respect of a transaction in which an amount of funds is received, a record that contains the following information:

(a) if the information is not readily obtainable from other records that the recipient keeps and retains under these Regulations, the name of the person or entity from whom the amount is in fact received and

(i) where the amount is received from a person, their address and date of birth and the nature of their principal business or their occupation, and

(ii) where the amount is received from an entity, their address and the nature of their principal business;

(b) the date of the transaction;

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(c) the number of any account that is affected by the transaction, and the type of that account, the full name of the person or entity that is the account holder and the currency in which the transaction is conducted;

(d) the purpose and details of the transaction, including other persons or entities involved and the type and form of the transaction;

(e) if the funds are received in cash, whether the cash is received by armoured car, in person, by mail or in any other way; and

(f) the amount and currency of the funds received.

"registered pension plan" has the same meaning as in subsection 248(1) of the *Income Tax Act*.

"registered retirement income fund" has the same meaning as in subsection 248(1) of the *Income Tax Act*.

"securities dealer" means a person or entity that is authorized under provincial legislation to engage in the business of dealing in securities or any other financial instruments or to provide portfolio management or investment advising ~~counselling~~ services.

"senior officer" , in respect of an entity, means, if applicable,

(a) a director of the entity who is one of its full-time employees;

(b) the entity's chief executive officer, chief operating officer, president, secretary, treasurer, controller, chief financial officer, chief accountant, chief auditor or chief actuary, or any person who performs any of those functions; or

(c) any other officer who reports directly to the entity's board of directors, chief executive officer or chief operating officer.

"signature" includes an electronic signature.

"signature card" , in respect of an account, means any record that is signed by a person who is authorized to give instructions in respect of the account.

"SWIFT" means the Society for Worldwide Interbank Financial Telecommunication.

"transaction ticket" means a record respecting a foreign currency exchange transaction — which may take the form of an entry in a transaction register — that sets out

(a) the date, amount and currency of the purchase or sale;

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(b) the method, amount and currency of the payment made or received; and

(c) in the case of a transaction of \$3,000 or more that is carried out by a person, the name and address of that person.

"trust company" means a trust company to which the *Trust and Loan Companies Act* applies or a trust company regulated by a provincial Act.

1.1 For the purpose of the definition "politically exposed foreign person" in subsection 9.3(3) of the Act, the prescribed family members of a politically exposed foreign person are

(a) the person's spouse or common-law partner;

(b) a child of the person;

(c) the person's mother or father;

(d) the mother or father of the person's spouse or common-law partner; and

(e) a child of the person's mother or father.

NON-APPLICATION OF CERTAIN PROVISIONS

1.2 Sections 11.1, 12, 13, 14, 14.1, 15.1, 53.1, 54, 54.1 and 54.2 do not apply in respect of the credit card acquiring activities of a financial entity.

GENERAL

FOREIGN CURRENCY

2. Where a transaction is carried out by a person or entity in a foreign currency, the amount of the transaction shall, for the purposes of these Regulations, be converted into Canadian dollars based on

(a) the official conversion rate of the Bank of Canada for that currency as published in the Bank of Canada's *Daily Memorandum of Exchange Rates* that is in effect at the time of the transaction; or

(b) if no official conversion rate is set out in that publication for that currency, the conversion rate that the person or entity would use for that currency in the normal course of business at the time of the transaction.

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3. (1)⁽²⁰⁰⁷⁾ 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

(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) [amended to 62(2)(m) effective June 23, 2008]; 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.⁽²⁰⁰⁷⁾

SENDING REPORTS

4. (1) A report that is required to be made to the Centre shall be sent electronically in accordance with guidelines for report submissions that are prepared by the Centre, if the sender has the technical capabilities to do so.

(2) The report shall be sent in paper format, in accordance with guidelines for report submissions that are prepared by the Centre, if the sender does not have the technical capabilities to send the report electronically.

REPORTING TIME LIMITS

5. (1) A report that is required to be made under these Regulations in respect of an electronic funds transfer shall be sent to the Centre not later than five working days after the day of the transfer.

(2) A report in respect of a transaction for which a large cash transaction record must be kept and retained under these Regulations shall be sent to the Centre

(a) within 30 days after the transaction, where the transaction occurs on the day on which this section comes into force or within 12 months after that day; or

(b) in any other case, within 15 days after the transaction.

TRANSACTIONS CONDUCTED BY EMPLOYEES OR AGENTS

6. (1) Where a person who is subject to the requirements of these Regulations is an employee of a person or entity referred to in any of paragraphs 5(a) to (l) of the Act, it is the employer rather than the employee who is responsible for meeting those requirements.

(2) Where a person or entity who is subject to the requirements of these Regulations, other than a life insurance broker or agent, is an agent of or is authorized to act on behalf of another person or entity referred to in any of paragraphs 5(a) to (l) of the Act, it is that other person or entity rather than the agent or the authorized person or entity, as the case may be, that is responsible for meeting those requirements.

7. For the purposes of these Regulations, a person acting on behalf of their employer is considered to be acting on behalf of a third party except when the person is depositing cash into the employer's business account.

THIRD PARTY DETERMINATION

8. (1) Every person or entity that is required to keep a large cash transaction record under these Regulations shall take reasonable measures to determine whether the individual who in fact gives the cash in respect of which the record is kept is acting on behalf of a third party.

(2) Where the person or entity determines that the individual is acting on behalf of a third party, the person or entity shall keep a record that sets out

(a) the third party's name, ~~and~~ address and date of birth and the nature of the principal business or occupation of the third party, if the third party is an individual;

(b) if the third party is an entity, the third party's name and address and the nature of the principal business of the third party, and, if the entity is a corporation, the entity's incorporation number and its place of issue; and

(c) the nature of the relationship between the third party and the individual who gives the cash.

(3) Where the person or entity is not able to determine whether the individual is acting on behalf of a third party but there are reasonable grounds to suspect that the individual is doing so, the person or entity shall keep a record that

(a) indicates whether, according to the individual, the transaction is being conducted on behalf of a third party; and

(b) describes the reasonable grounds to suspect that the individual is acting on behalf of a third party.

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9. (1) Subject to subsections (4) and 4.1, every person or entity that is required to keep a signature card or an account operating agreement in respect of an account under these Regulations, ~~or would be required to do so if not for subsection 23(2)~~, shall, at the time that the account is opened, take reasonable measures to determine whether the account is to be used by or on behalf of a third party.

(2) Subject to subsections (5) and (6), where the person or entity determines that the account is to be used by or on behalf of a third party, the person or entity shall keep a record that sets out

(a) the third party's ~~name~~ name, and address and date of birth and the nature of the principal business or occupation of the third party, if the third party is an individual;

(b) if the third party is an entity, the third party's name and address and the nature of the principal business of the third party, and, if the entity is a corporation, the entity's incorporation number and its place of issue; and

(c) the nature of the relationship between the third party and the account holder.

(3) Where the person or entity is not able to determine if the account is to be used by or on behalf of a third party but there are reasonable grounds to suspect that it will be so used, the person or entity shall keep a record that

(a) indicates whether, according to the individual who is authorized to act in respect of the account, the account is to be used by or on behalf of a third party; and

(b) describes the reasonable grounds to suspect that the individual is acting on behalf of a third party.

(4) Subsection (1) does not apply in respect of an account where the account holder is a financial entity or a securities dealer that is engaged in the business of dealing in securities in Canada.

(4.1) Subsection (1) does not apply in respect of an account that is opened by a financial entity for use in relation to a credit card acquiring business.

(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 ~~on Money Laundering~~; ⁽²⁰⁰⁷⁾

(b) the account is in a country that is not a member of the Task Force referred to in paragraph (a) but has implemented the recommendations of the Task Force relating to

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customer identification and, at the time that the account is opened, the securities dealer has obtained written assurance from the entity where the account is located that the country has implemented those recommendations; or

(c) the account is in a country that is not a member of the Task Force referred to in paragraph (a) and has not implemented the recommendations of the Task Force relating to customer identification but, at the time that the account is opened, the securities dealer has ascertained the identity of all third parties relating to the account as described in paragraph 64(1)(e).

(6) Subsection (2) does not apply where

(a) the account is opened by a legal counsel, an accountant or a real estate broker or sales representative; and

(b) the person or entity has reasonable grounds to believe that the account is to be used only for clients of the legal counsel, accountant or real estate broker or sales representative, as the case may be.

10. (1) Every person or entity that is required to keep a client information record under these Regulations in respect of a client shall, at the time that the client information record is created, take reasonable measures to determine whether the client is acting on behalf of a third party.

(2) Where the person or entity determines that the client is acting on behalf of a third party, the person or entity shall keep a record that sets out

(a) the third party's name, ~~and~~ address and date of birth and the nature of the principal business or occupation of the third party, if the third party is an individual;

(b) if the third party is a entity, the third party's name and address and the nature of the principal business of the third party, and, if the entity is a corporation, the entity's incorporation number and its place of issue; and

(c) the relationship between the third party and the client.

(3) Where the person or entity is not able to determine that the client in respect of whom the client information record is kept is acting on behalf of a third party but there are reasonable grounds to suspect that the client is so acting, the person or entity shall keep a record that

(a) indicates whether, according to the client, the transaction is being conducted on behalf of a third party; and

(b) describes the reasonable grounds to suspect that the client is acting on behalf of a third party.

INFORMATION ON BENEFICIARIES

11. A trust company that is required to keep a record in respect of an *inter vivos* trust in accordance with these Regulations shall keep a record that sets out the name, ~~and~~ address and date of birth and the nature of the principal business and occupation, of each of the beneficiaries that are known at the time that the trust company becomes a trustee for the trust.

INFORMATION ON DIRECTORS OR PARTNERS OF ON PERSONS WHO OWN OR CONTROL 25%
OR MORE OF A CORPORATION OR OTHER ENTITY

11.1 (1) Every financial entity or securities dealer that is required to confirm the existence of an entity in accordance with these Regulations when it opens an account in respect of that entity, every life insurance company or life insurance broker or agent that is required to confirm the existence of an entity in accordance with these Regulations and every money services business that is required to confirm the existence of an entity in accordance with these Regulations when it enters into an ongoing electronic funds transfer, fund remittance or foreign exchange service agreement with that entity, or a service agreement for the issuance or redemption of money orders, traveller's cheques or other similar negotiable instruments, shall, at the time the existence of the entity is confirmed, take reasonable measures to obtain and, if obtained, keep a record of

(a) where the confirmation is in respect of a corporation, the name and occupation of all directors of the corporation and the name, address and occupation of all persons who own or control, directly or indirectly, 25 per cent or more of the shares of the corporation; and

(b) where the confirmation is in respect of an entity other than a corporation, the name, address and occupation of all persons who own or control, directly or indirectly, 25 per cent or more of the entity.

(2) Where the person or entity is not able to obtain the information referred to in subsection (1), the person or entity shall keep a record that indicates the reason why the information could not be obtained.

(3) Where the entity the existence of which is being confirmed by a person or entity under subsection (1) is a not-for-profit organization, the person or entity shall determine, and keep a record that sets out, whether that entity is

(a) a charity registered with the Canada Revenue Agency under the *Income Tax Act*;
or

(b) an organization, other than one referred to in paragraph (a), that solicits charitable financial donations from the public.

REPORTING OF FINANCIAL TRANSACTIONS AND RECORD-KEEPING

FINANCIAL ENTITIES

12. (1) Subject to ~~subsection (5)~~,⁽²⁰⁰⁷⁾ section 50 and subsection 52(1), every financial entity shall report the following transactions and information to the Centre:

(a) the receipt from a client of an amount in cash of \$10,000 or more in the course of a single transaction, together with the information referred to in Schedule 1, unless the cash is received from another financial entity or a public body;

(b) the sending out of Canada, at the request of a client, of an electronic funds transfer of \$10,000 or more in the course of a single transaction, together with the information referred to in Schedule 2 or 5, as the case may be; and

(c) the receipt from outside Canada of an electronic funds transfer, sent at the request of a client, of \$10,000 or more in the course of a single transaction, together with the information referred to in Schedule 3 or 6, as the case may be.

(2) For greater certainty, paragraph (1)(b) does not apply when the financial entity sends an electronic funds transfer to a person or entity in Canada, even if the final recipient is outside Canada.

(3) Paragraph (1)(b) applies in respect of a financial entity that orders a person or entity to which subsection (1), ~~24(1) or~~ 28(1) or 40(1) applies to send an electronic funds transfer out of Canada, at the request of a client, unless it provides that person or entity with the name and address of that client.

(4) Subject to subsection (5), for ~~For~~ greater certainty, paragraph (1)(c) does not apply when the financial entity receives an electronic funds transfer from a person or entity in Canada, even if the initial sender is outside Canada.

(5) Paragraph (1)(c) applies in respect of a financial entity that receives an electronic funds transfer for a beneficiary in Canada from a person or entity to which subsection (1), 28(1) or 40(1) applies where the initial sender is outside Canada, unless the electronic funds transfer contains the name and address of that beneficiary.

13. Subject to subsection 52(2), every financial entity shall keep a large cash transaction record in respect of every amount in cash of \$10,000 or more that is received from a client in the course of a single transaction, unless the cash is received from another financial entity or a public body.

14. ~~Every~~ Subject to subsection 62(2), every financial entity shall keep the following records in respect of an account other than a credit card account:

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- (a) where it opens an account, a signature card in respect of each account holder for that account;
- (b) where it opens an account in respect of a corporation, a copy of the part of official corporate records that contains any provision relating to the power to bind the corporation in respect of the account;
- (c) where it opens an account in the name of a client that is a person or ~~of~~ an entity other than a corporation, a record of the name and address of the client and:
 - (i) if the client is a person, their date of birth and the nature of ~~the~~ their principal business or their occupation, as applicable, and ~~of the person or entity, as the case may be;~~
 - (ii) if the client is an entity other than a corporation, the nature of their principal business;
- (c.1) in respect of every account that it opens, a record that sets out the intended use of the account;
- (d) every account operating agreement that it creates in the normal course of business;
- (e) a deposit slip in respect of every deposit that is made to an account;
- (f) every debit and credit memo that it creates or receives in the normal course of business in respect of an account, except debit memos that relate to another account at the same branch of the financial entity that created the debit memo;
- (g) a copy of every account statement that it sends to a client, if the information in the statement is not readily obtainable from other records that are kept and retained by it under these Regulations;
- (h) every cleared cheque that is drawn on, and a copy of every cleared cheque that is deposited to, an account, unless
 - (i) the account on which the cheque is drawn and the account to which the cheque is deposited are at the same branch of the financial entity, or
 - (ii) the following conditions are met, namely,
 - (A) an image of the cheque has been recorded on microfilm or on an electronic medium,
 - (B) an image of the cheque can be readily reproduced from the microfilm or electronic medium,

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(C) it is possible to readily ascertain where the image of any particular cheque is recorded, and

(D) the microfilm or electronic medium is retained for a period of at least five years;

(i) every client credit file that it creates in the normal course of business; ~~and~~

(j) a transaction ticket in respect of every foreign currency exchange transaction

(k) where it receives an amount of \$3,000 or more from a person or from an entity other than a financial entity in consideration of the issuance of traveller's cheques, money orders or similar negotiable instruments, a record of the amount received, the date it was received, the name and address of the person who in fact gave the amount and whether the amount received was in cash, cheques, traveller's cheques, money orders or other similar negotiable instruments;

(l) where, in a single transaction, it redeems one money order of \$3,000 or more, or two or more money orders that, taken together, add up to a total of \$3,000 or more, a record of the total amount of the money order or orders, the date on which the money order or orders were redeemed, the name and address of the person who made the request for the money order or orders to be redeemed and the name of the issuer of each money order;

(m) where, at the request of a client, it sends an electronic funds transfer, as prescribed by subsection 66.1(2), in an amount of \$1,000 or more, a record of

(i) the name, address and telephone number of the client initiating the transaction and the nature of their principal business or their occupation,

(ii) if the client initiating the transaction is a person, their date of birth,

(iii) the relevant account number, if any, and the reference number, if any, of the transaction and the date of the transaction,

(iv) the name or account number of the person or entity to whom the electronic funds transfer is sent, and

(v) the amount and currency of the transaction;

(n) where it has obtained approval under paragraph 67.1(b) to keep the account of a person that has been determined to be a politically exposed foreign person open, a record of

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(i) the office or position in respect of which the person was determined to be a politically exposed foreign person,

(ii) the source, if known, of the funds that are or are expected to be deposited in the account,

(iii) the date of the determination that the person was a politically exposed foreign person,

(iv) the name of the member of senior management who gave the approval to keep the account open, and

(v) the date of that approval; and

(o) where a transaction has been reviewed under subsection 67.2(2), a record of

(i) the office or position in respect of which the person initiating the transaction or the beneficiary of the transaction was determined to be a politically exposed foreign person,

(ii) the source, if known, of the funds that have been used for the transaction,

(iii) the date of the determination that the person referred to in subparagraph (i) was a politically exposed foreign person,

(iv) the name of the member of senior management who reviewed the transaction, and

(v) the date of that review.

14.1 Subject to subsection 62(2), every financial entity shall, in respect of every credit card account that it opens, keep a credit card account record that includes

(a) where the account is opened in the name of a client that is a person or an entity other than a corporation, the name and address of the client and

(i) if the client is a person, their date of birth and the nature of their principal business or their occupation, as applicable, and

(ii) if the client is an entity other than a corporation, the nature of their principal business;

(b) where the account is opened in the name of a client that is a corporation, a copy of the part of official corporate records that contains any provision relating to the power to bind the corporation in respect of the account;

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(c) the name, address and telephone number of every holder of a credit card for the account;

(d) the date of birth of every holder of a credit card for the account, if that information is known after reasonable measures have been taken by the financial entity to obtain it;

(e) every credit card application that the financial entity receives from the client in the normal course of business;

(f) a copy of every credit card statement that the financial entity sends to the client, if the information in the statement is not readily obtainable from other records that are kept and retained by it under these Regulations; and

(g) where the financial entity has obtained approval under paragraph 67.1(b) to keep the account of a person that has been determined to be a politically exposed foreign person open

(i) the office or position in respect of which the person was determined to be a politically exposed foreign person,

(ii) the source, if known, of the funds that are or are expected to be deposited in the account,

(iii) the date of the determination that the person was a politically exposed foreign person,

(iv) the name of the member of senior management who gave the approval to keep the account open, and

(v) the date of that approval.

15. (1) Every trust company shall, in addition to the records referred to in sections 13 and 14, keep the following records in respect of a trust for which it is trustee:

(a) a copy of the trust deed;

(b) a record of the settlor's name, ~~and~~ address and date of birth and the nature of the principal business or occupation of the settlor; and

(c) where the trust is an institutional trust and the settlor is a corporation, a copy of the part of official corporate records that contains any provision relating to the power to bind the settlor in respect of the trust.

(2) In this section, “institutional trust” means a trust that is established by a corporation, partnership or other entity for a particular business purpose and includes pension plan trusts, pension master trusts, supplemental pension plan trusts, mutual fund trusts, pooled fund trusts, registered retirement savings plan trusts, registered retirement income fund trusts, registered education savings plan trusts, group registered retirement savings plan trusts, deferred profit sharing plan trusts, employee profit sharing plan trusts, retirement compensation arrangement trusts, employee savings plan trusts, health and welfare trusts, unemployment benefit plan trusts, foreign insurance company trusts, foreign reinsurance trusts, reinsurance trusts, real estate investment trusts, environmental trusts and trusts established in respect of endowments, foundations and registered charities.

15.1 ⁽²⁰⁰⁷⁾ (1) For the purposes of subsections 9.4(1) and (3) of the Act, the prescribed foreign entity is a foreign financial institution.

(2) Every financial entity shall, when it enters into a correspondent banking relationship, keep a record in respect of the foreign financial institution containing the following information and documents:

(a) the name and address of the foreign financial institution;

(b) the names of the directors of the foreign financial institution;

(c) the primary business line of the foreign financial institution;

(d) a copy of the most recent annual report or audited financial statement of the foreign financial institution;

(e) a copy of the foreign financial institution's banking licence, banking charter, authorization or certification to operate from the relevant regulatory agency or certificate of corporate status or a copy of another similar document;

(f) a copy of the correspondent banking agreement or arrangement, or product agreements, defining the respective responsibilities of each entity;

(g) the anticipated correspondent banking account activity of the foreign financial institution, including the products or services to be used;

(h) a statement from the foreign financial institution that it does not have, directly or indirectly, correspondent banking relationships with shell banks; and

(i) a statement from the foreign financial institution that it is in compliance with anti-money laundering and anti-terrorist financing legislation in its own jurisdiction.

(3) The financial entity shall take reasonable measures to ascertain whether the foreign financial institution has in place anti-money laundering and anti-terrorist financing

policies and procedures, including procedures for approval for the opening of new accounts and, if not, shall, for the purpose of detecting any transactions that are required to be reported to the Centre under section 7 of the Act, take reasonable measures to conduct ongoing monitoring of all transactions conducted in the context of the correspondent banking relationship.

(4) For greater certainty, section 14 does not apply in respect of an account opened for a foreign financial institution in the context of a correspondent banking relationship. ⁽²⁰⁰⁷⁾

LIFE INSURANCE COMPANIES AND LIFE INSURANCE BROKERS OR AGENTS

16. Part 1 of the Act applies to life insurance brokers or agents.

17. Subject to section 20.2 and subsection 52(1), every life insurance company or life insurance broker or agent who receives from a client an amount in cash of \$10,000 or more in the course of a single transaction shall report the transaction to the Centre, together with the information referred to in Schedule 1, except

(a) if the amount is received from a financial entity or a public body; or

(b) in respect of transactions referred to in subsection 62(~~1~~2).

18. Subject to subsection 20.2 and 52(2), every life insurance company or life insurance broker or agent shall keep a large cash transaction record in respect of every amount in cash of \$10,000 or more that is received from a client in the course of a single transaction, unless

(a) the cash is received from a financial entity or a public body; or

(b) the transaction is a transaction referred to in subsection 62(~~1~~2).

19. (1) Subject to section 20.2 and subsection ~~(3)62.2~~, every life insurance company or life insurance broker or agent shall keep a client information record for every purchase from ~~it~~ the company, broker or agent of an immediate or deferred annuity or of a life insurance policy for which the client may pay \$10,000 or more over the duration of the annuity or policy, irrespective of the means of payment.

(2) Subject to section 20.2 and subsection ~~(3)62(2)~~, in the case of a life insurance policy that is a group life insurance policy or in the case of a group annuity, the client information record shall be kept in respect of the applicant for the policy or annuity.

~~(3) Subsections (1) and (2) do not apply to a purchase of~~

~~(a) an exempt policy as defined in subsection 306(1) of the *Income Tax Regulations*, as it read on May 1, 1992; or~~

~~(b) a group life insurance policy that does not provide for a cash surrender value or a savings component.~~

20. Subject to section 20.2, eEvery life insurance company or life insurance broker or agent who keeps a client information record in respect of a corporation in accordance with subsection 19(1) shall also keep a copy of the part of official corporate records that contains any provision relating to the power to bind the corporation in respect of the transactions with the life insurance company or life insurance broker or agent, if the copy of that part is obtained in the normal course of business.

20.1 Subject to section 20.2, every life insurance company or life insurance broker or agent shall keep a record of the following information when a transaction is reviewed under subsection 67.2(2):

(a) the office or position in respect of which the person initiating the transaction is determined to be a politically exposed foreign person;

(b) the source, if known, of the funds that are used for the transaction;

(c) the date of the determination that the person is a politically exposed foreign person;

(d) the name of the member of senior management who reviewed the transaction; and

(e) the date the transaction was reviewed.

20.2 Sections 17 to 20.1 do not apply to a life insurance company or a life insurance broker or agent when they are dealing in reinsurance.

SECURITIES DEALERS

21. Subject to subsection 52(1), every securities dealer who receives from a client an amount in cash of \$10,000 or more in the course of a single transaction shall report the transaction to the Centre, together with the information set out in Schedule 1, unless the amount is received from a financial entity or a public body.

22. Subject to subsection 52(2), every securities dealer shall keep a large cash transaction record in respect of every amount in cash of \$10,000 or more that is received from a client in the course of a single transaction, unless the cash is received from a financial entity or a public body.

23. (1) Subject to subsection 62(2), every securities dealer shall keep the following records:

(a) in respect of every account that the securities dealer opens, a signature card, an account operating agreement or an account application that

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(i) bears the signature of the person who is authorized to give instructions in respect of the account, ~~and~~

~~(ii) sets out the account number, where that person's identity was ascertained pursuant to subparagraph 64(1)(c)(ii);~~

(a.1) in respect of every account that the securities dealer opens, a record that sets out the intended use of the account;

(b) where the securities dealer opens an account in respect of a corporation, a copy of the part of official corporate records that contains any provision relating to the power to bind the corporation in respect of that account;

(c) where the securities dealer opens an account in the name of a person or of an entity other than a corporation, a record of the name, ~~and~~ address and date of birth the nature of the principal business or occupation of the person or entity, as the case may be;

(d) every new account application, confirmation of purchase or sale, guarantee, trade authorization, power of attorney and joint account agreement, and all correspondence that pertains to the operation of accounts, that the securities dealer creates in the normal course of business; ~~and~~

(e) a copy of every statement that the securities dealer sends to a client, if the information in the statement is not readily obtainable from other records that the securities dealer keeps and retains under these Regulations, ~~and-~~

(f) where it has obtained approval under paragraph 67.1(b) to keep the account of a person that has been determined to be a politically exposed foreign person open

(i) the office or position in respect of which the person was determined to be a politically exposed foreign person,

(ii) the source, if known, of the funds that are or are expected to be deposited in the account,

(iii) the date of the determination that the person was a politically exposed foreign person,

(iv) the name of the member of senior management who gave the approval to keep the account open, and

(v) the date of that approval.

~~(2) Paragraph (1)(a) does not apply in respect of an account in the name of, or in respect of which instructions are authorized to be given by, a financial entity or another securities dealer.~~

~~PERSONS OR ENTITIES ENGAGED IN THE BUSINESS OF FOREIGN EXCHANGE DEALING~~

~~24. [Repealed] (1) Subject to subsection 52(1), every person or entity engaged in the business of foreign exchange dealing shall report the following transactions and information to the Centre:~~

~~(a) the receipt from a client of an amount in cash of \$10,000 or more in the course of a single transaction, together with the information referred to in Schedule 1, unless the cash is received from a financial entity or a public body;~~

~~(b) the sending out of Canada, at the request of a client, of an electronic funds transfer of \$10,000 or more in the course of a single transaction, together with the information referred to in Schedule 2 or 5, as the case may be; and~~

~~(c) the receipt from outside Canada of an electronic funds transfer, sent at the request of a client, of \$10,000 or more in the course of a single transaction, together with the information referred to in Schedule 3 or 6, as the case may be.~~

~~(2) For greater certainty, paragraph (1)(b) does not apply when the person or entity engaged in the business of foreign exchange dealing sends an electronic funds transfer to a person or an entity in Canada, even if the final recipient is outside Canada.~~

~~(3) Paragraph (1)(b) applies in respect of a person or entity engaged in the business of foreign exchange dealing that orders a person or entity to which subsection (1), 12(1) or 28(1) applies to send an electronic funds transfer out of Canada, at the request of a client, unless it provides that person or entity with the name and address of that client.~~

~~(4) For greater certainty, paragraph (1)(c) does not apply when the person or entity engaged in the business of foreign exchange dealing receives an electronic funds transfer from a person or an entity in Canada, even if the initial sender is outside Canada.~~

~~25. [Repealed] Subject to subsection 52(2), every person or entity engaged in the business of foreign exchange dealing shall keep a large cash transaction record in respect of every amount in cash of \$10,000 or more that is received from a client in the course of a single transaction, unless the amount is received from a financial entity or a public body.~~

~~26. [Repealed] Every person or entity engaged in the business of foreign exchange dealing shall keep the following records:~~

~~(a) every client information record that is created for the purpose of an ongoing business relationship between the person or entity and a client;~~

~~(b) where a client information record is created in respect of a client that is a corporation, a copy of the part of official corporate records that contains any provision relating to the power to bind the corporation in respect of transactions with the person or entity, if the copy of that part is obtained in the normal course of business;~~

~~(c) a transaction ticket in respect of every foreign currency exchange transaction;~~

~~(d) every client credit file that the person or entity creates in the normal course of business; and~~

~~(e) every internal memorandum that the person or entity receives or creates in the normal course of business and that concerns account operations.~~

MONEY SERVICES BUSINESSES

27. [Repealed] ~~(1) Every money services business is subject to Part 1 of the Act when it engages in any of the following activities:~~

~~(a) remitting funds or transmitting funds by any means or through any person, entity or electronic funds transfer network; or~~

~~(b) issuing or redeeming money orders, traveller's cheques or other similar negotiable instruments.~~

~~(2) For greater certainty, paragraph (1)(b) does not apply in respect of the redemption of any cheque payable to a named person or entity.~~

28. (1) Subject to subsection 52(1), every money services business shall report the following transactions and information to the Centre:

(a) the receipt from a client of an amount in cash of \$10,000 or more in the course of a single transaction, together with the information referred to in Schedule 1, unless the cash is received from a financial entity or a public body;

(b) the sending out of Canada, at the request of a client, of an electronic funds transfer of \$10,000 or more in the course of a single transaction, together with the information referred to in Schedule 2 or 5, as the case may be; and

(c) the receipt from outside Canada of an electronic funds transfer, sent at the request of a client, of \$10,000 or more in the course of a single transaction, together with the information referred to in Schedule 3 or 6, as the case may be.

(2) For greater certainty, paragraph (1)(b) does not apply when the money services business sends an electronic funds transfer to a person or an entity in Canada, even if the final recipient is outside Canada.

(3) Paragraph (1)(b) applies in respect of a money services business that orders a person or entity to which subsection (1), 12(1) or ~~2440~~(1) applies, to send out of Canada an electronic funds transfer ~~out of Canada,~~made at the request of a client, unless it provides that person or entity with the name and address of that client.

(4) Subject to subsection (5), ~~f~~For greater certainty, paragraph (1)(c) does not apply when the money services business receives an electronic funds transfer from a person or an entity in Canada, even if the initial sender is outside Canada.

(5) Paragraph (1)(c) applies in respect of a money services business that receives an electronic funds transfer for a beneficiary in Canada from a person or entity to which subsection (1), 12(1) or 40(1) applies where the initial sender is outside Canada, unless the electronic funds transfer contains the name and address of that beneficiary.

29. Subject to subsection 52(2), every money services business shall keep a large cash transaction record in respect of every amount in cash of \$10,000 or more that is received from a client in the course of a single transaction, unless the cash is received from a financial entity or a public body.

30. Every money services business shall keep the following records in respect of any of the activities referred to in ~~section 27~~paragraph 5(h) of the Act:

(a) every client ~~information record that is created for the purpose of an ongoing business relationship between the money services business and a client~~credit file that it creates in the normal course of business;

(a.1) every internal memorandum that it receives or creates in the normal course of business and that concerns services provided to its clients;

(b) where a client information record is in respect of a client that is a corporation, a copy of the part of official corporate records that contains any provision relating to the power to bind the corporation in respect of transactions with the money services business, if the copy of that part is obtained in the normal course of business;

(c) where it receives an amount of \$3,000 or more ~~is received~~ from a person or from an entity other than a financial entity in consideration of the issuance of traveller's cheques, money orders or other similar negotiable instruments, a record of ~~the date,~~ the amount received, the date it was received, the name, ~~and~~ address and date of birth of the person who in fact ~~gives~~gave the amount and whether the amount received was in cash, cheques, traveller's cheques, money orders or other similar negotiable instruments;

(d) where money orders of \$3,000 or more are cashed, a record of the name, ~~and~~ address and date of birth of the person cashing the money orders and the name of the issuer of the money orders; ~~and~~

(e) where \$31,000 or more is remitted or transmitted ~~by any means or through any person, entity or electronic funds transfer network~~, a record of

(i) the name, ~~and~~ address and telephone number of the client who initiated the transaction and the nature of their principal business or occupation,;

(ii) if the client initiating the transaction is a person, their date of birth,

(iii) the reference number and date of the transaction,

(iv) the name of the person or entity to whom the amount is remitted or transmitted, and

(v) the amount and currency of the transaction; and

(f) a transaction ticket in respect of every foreign currency exchange transaction.

31. Every money services business shall keep a record of the following information when a transaction is reviewed under subsection 67.2(2):

(a) the office or position in respect of which the person initiating the transaction or the beneficiary of the transaction is determined to be a politically exposed foreign person;

(b) the source, if known, of the funds that have been used for the transaction;

(c) the date of the determination that the person referred to in paragraph (a) is a politically exposed foreign person;

(d) the name of the member of senior management who reviewed the transaction; and

(e) the date the transaction was reviewed.

32. Every money services business that enters into an ongoing electronic funds transfer, funds remittance or foreign exchange service agreement with an entity, or a service agreement for the issuance or redemption of money orders, traveller's cheques or other negotiable instruments, shall keep a record of the name, address, date of birth and occupation of every person who has signed the agreement on behalf of the entity, a client information record with respect to the entity and a list containing the name, address and date of birth of every employee authorized to order transactions under the agreement.

~~**31. to 33.**~~ [Repealed]

34. (1) Subject to subsections (2) and (3), every accountant and every accounting firm is subject to Part 1 of the Act when they

(a) engage in any of the following activities on behalf of any person or entity, namely,

(i) receiving or paying funds,

(ii) purchasing or selling securities, real properties or business assets or entities, or

(iii) transferring funds or securities by any means; or

(b) give instructions on behalf of any person or entity in respect of any activity referred to in paragraph (a); ~~or~~

~~(c) receive professional fees in respect of any activity referred to in paragraph (a) or in respect of any instructions referred to in paragraph (b).~~

(2) Subsection (1) does not apply in respect of an accountant when they engage in any of the activities referred to in paragraph (1)(a), or (b) ~~or (c)~~ on behalf of their employer.

(3) For greater certainty, subsection (1) does not apply in respect of audit, review or compilation engagements, carried out in accordance with the recommendations set out in the CICA Handbook.

35. Subject to subsection 52(1), every accountant and every accounting firm that, while engaging in an activity described in section 34, receives an amount in cash of \$10,000 or more in the course of a single transaction shall report the transaction to the Centre, together with the information set out in Schedule 1, unless the cash is received from a financial entity or a public body.

36. (1) Every accountant and every accounting firm shall, when engaging in an activity described in section 34, keep the following records:

(a) a receipt of funds record in respect of every amount of \$3,000 or more that they receive in the course of a single transaction, unless the amount is received from a financial entity or a public body; and

(b) where the receipt of funds record is in respect of a client that is a corporation, a copy of the part of official corporate records that contains any provision relating to the power to bind the corporation in respect of transactions with the accountant or accounting firm.

(2) Subject to subsection 52(2), every accountant and every accounting firm shall, while when engaging in an activity described in section 34, ~~shall~~ keep a large cash transaction record in respect of every amount in cash of \$10,000 or more that they receive in the

course of a single transaction, unless the cash is received from a financial entity or a public body.

(3) Subsection (1) does not apply in respect of a transaction if a large cash transaction record is also required by subsection (2) to be kept in respect of that same transaction.

REAL ESTATE BROKERS OR SALES REPRESENTATIVES

37. Every real estate broker or sales representative is subject to Part 1 of the Act when they ~~engage in any of the following activities on behalf of any person or entity in the course of a real estate transaction:~~ act as an agent in respect of the purchase or sale of real estate.

~~(a) receiving or paying funds;~~

~~(b) depositing or withdrawing funds; or~~

~~(c) transferring funds by any means.~~

38. Subject to subsection 52(1), every real estate broker or sales representative who, while engaging in an activity described in section 37, receives an amount in cash of \$10,000 or more in the course of a single transaction shall report the transaction to the Centre, together with the information set out in Schedule 1, unless the amount is received from a financial entity or a public body.

39. (1) Subject to subsections (3) and 52(2), every real estate broker or sales representative shall, when engaging in an activity described in section 37, keep the following records:

(a) a receipt of funds record in respect of every amount that they receive in the course of a single transaction, unless the amount is received from a financial entity or a public body;

(b) a client information record in respect of every purchase or sale of real estate; and

(c) where the receipt of funds record or the client information record is in respect of a corporation, a copy of the part of official corporate records that contains any provision relating to the power to bind the corporation in respect of transactions with the real estate broker or sales representative.

(2) Subject to subsection 52(2), every real estate broker or sales representative shall, while when engaging in an activity described in section 37, shall keep a large cash transaction record in respect of every amount in cash of \$10,000 or more that they receive in the course of a single transaction, unless the cash is received from a financial entity or a public body.

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(3) Paragraphs (1)(a) and (c) do not apply in respect of a transaction if a large cash transaction record is also required by subsection (2) to be kept in respect of that same transaction.

CASINOS

40. (1) Subject to subsection 52(1), every casino shall report the following transactions and information to the Centre:

(a) the receipt of an amount in cash of \$10,000 or more in the course of a single transaction, together with the information set out in Schedule 1, unless the ~~amount~~ cash is received from a financial entity or a public body;

(b) the sending out of Canada, at the request of a client, of an electronic funds transfer of \$10,000 or more in the course of a single transaction, together with the information referred to in Schedule 5; and

(c) the receipt from outside Canada of an electronic funds transfer, sent at the request of a client, of \$10,000 or more in the course of a single transaction, together with the information referred to in Schedule 6.

(2) Subject to subsection (3), for greater certainty, paragraph (1)(b) does not apply when the casino sends an electronic funds transfer to a person or entity in Canada, even if the final recipient is outside Canada.

(3) Paragraph (1)(b) applies in respect of a casino that orders a person or entity, to which subsection (1), 12(1) or 28(1) applies, to send out of Canada an electronic funds transfer made at the request of a client, unless it provides that person or entity with the name and address of that client.

(4) Subject to subsection (5), for greater certainty, paragraph (1)(c) does not apply when the casino receives an electronic funds transfer from a person or entity in Canada, even if the initial sender is outside Canada.

(5) Paragraph (1)(c) applies in respect of a casino that receives an electronic funds transfer for a beneficiary in Canada from a person or entity to which subsection (1), 12(1) or 28(1) applies where the initial sender is outside Canada, unless the electronic funds transfer contains the name and address of that beneficiary..

41. (1) Subject to subsection 52(2), every casino shall keep a large cash transaction record in respect of every amount in cash of \$10,000 or more that it receives in the course of a single transaction, unless the amount is received from a financial entity or a public body.

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(2) For greater certainty, the transactions in respect of which a casino is required to keep large cash transaction records in accordance with subsection (1) include the following transactions involving an amount in cash of \$10,000 or more:

- (a) the sale of chips, tokens or plaques;
- (b) front cash deposits;
- (c) safekeeping deposits;
- (d) the repayment of any form of credit, including repayment by markers or counter cheques;
- (e) bets of currency; and
- (f) sales of the casino's cheques.

42. (1) Subject to section 44, every casino shall keep a large cash disbursement record in respect of each of the following transactions in the course of which the total amount of cash disbursed is \$10,000 or more:

- (a) the redemption of chips, tokens or plaques;
- (b) front cash withdrawals;
- (c) safekeeping withdrawals;
- (d) advances on any form of credit, including advances by markers or counter cheques;
- (e) payments on bets, including slot jackpots;
- (f) payments to a client of funds received for credit to that client or any other client;
- (g) the cashing of cheques or other negotiable instruments; and
- (h) reimbursements to clients of travel and entertainment expenses.

(2) For the purpose of subsection (1), the large cash disbursement record shall set out

- (a) the name of the person to whom the disbursement is made;
- (b) the person's address and the nature of their principal business or occupation; ~~and~~
- (c) the date and nature of the disbursement, and
- (d) the person's date of birth.

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42.1 Any transaction described in section 40, 41 or 42 that occurs in the course of the business, temporarily conducted for charitable purposes in the establishment of a casino by a registered charity carried on for not more than two consecutive days at a time under the supervision of the casino, shall be reported by the supervising casino.

43. Every casino shall keep the following records:

(a) with respect to every client account that it opens,

(i) a signature card in respect of each account holder,

(ii) every account operating agreement that is received or created in the normal course of business,

(iii) a deposit slip in respect of every deposit that is made to the account, and

(iv) every debit and credit memo that is received or created in the normal course of business;

(b) where it opens a client account in respect of a corporation, a copy of the part of the official corporate records that contains any provision relating to the power to bind the corporation in respect of the account;

(c) where it opens a client account in the name of a person or of an entity other than a corporation, a record of the name, ~~and~~ address and date of birth and the nature of the principal business or occupation of the person or entity, as the case may be;

(d) with respect to every extension of credit to a client of \$3,000 or more, an extension of credit record that indicates

(i) the client's name, ~~and~~ address and date of birth and the nature of the principal business or occupation of the client,

(ii) the terms and conditions of the extension of credit, and

(iii) the date and amount of the extension of credit; ~~and~~

(e) with respect to every foreign currency exchange transaction ~~of \$3000 or more~~, a transaction ticket; and

(f) where an amount of \$1,000 or more is remitted or transmitted, a record of

(i) the name, address and telephone number of the client initiating the transaction and the nature of their principal business or occupation,

(ii) if the client initiating the transaction is a person, their date of birth,

(iii) the relevant account number if any, and the reference number, if any, of the transaction and the date of the transaction,

(iv) the name or account number of the person or entity to whom the amount is remitted or transmitted, and

(v) the amount and currency of the transaction.

44. A casino is not required to keep a large cash disbursement record if the information that is required to be found in it is readily obtainable from other records that must be kept and retained by the casino under these Regulations.

DEPARTMENTS AND AGENTS OF HER MAJESTY IN RIGHT OF CANADA OR OF A PROVINCE

Acceptance of Deposit Liabilities

45. Every department and agent of Her Majesty in right of Canada or of a province is subject to Part 1 of the Act when it accepts deposit liabilities in the course of providing financial services to the public.

Sale or Redemption of Money Orders

46. Every department and agent of Her Majesty in right of Canada or of a province is subject to Part 1 of the Act when it sells or redeems money orders in the course of providing financial services to the public.

47. Subject to subsection 52(1), every department and agent of Her Majesty in right of Canada or of a province that, while engaging in an activity referred to in section 46, receives from a client an amount in cash of \$10,000 or more in the course of a single transaction shall report the transaction to the Centre, together with the information set out in Schedule 1, unless the amount is received from a financial entity or a public body.

48. Subject to subsection 52(2), every department and agent of Her Majesty in right of Canada or of a province, while engaging in an activity referred to in section 46, shall keep a large cash transaction record in respect of every amount in cash of \$10,000 or more that it receives from a client in the course of a single transaction, unless the amount is received from a financial entity or a public body.

49. Every department and agent of Her Majesty in right of Canada or of a province that engages in an activity referred to in section 46 shall keep the following records in respect of that activity:

(a) every client information record that is created for the purpose of an ongoing business relationship between the department or agent and a client;

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(b) where the client information record is in respect of a corporation, a copy of the part of official corporate records that contains any provision relating to the power to bind the corporation in respect of transactions with the department or agent;

(c) where the department or agent receives \$3,000 or more in consideration of the issuance of money orders or other similar negotiable instruments, a record of the date, the amount received, the name, ~~and~~ address and date of birth of the person who in fact gives the amount and whether the amount is in cash, cheques, traveller's cheques, money orders or other similar negotiable instruments; and

(d) where money orders of \$3,000 or more are cashed, a record of the name, ~~and~~ address and date of birth of the person cashing the money orders and the name of the issuer of the money orders.

EXCEPTIONS

50. (1) A financial entity is not required to report transactions under paragraph 12(1)(a) in respect of a business of a client, if the following conditions are met:

(a) subject to subsection (2), the client is a corporation that carries on that business as an establishment described in sector 22, 44 (excluding codes 4411, 4412 and 44831) or 45 (excluding code 45392), or code 481, 482, 485 (excluding code 4853), 51322, 51331, 61121 or 61131 of the *North American Industry Classification System* as that sector or code read on January 31, 2003;

(b) the client has had

(i) for the entire preceding 24-month period, an account in respect of that business with that financial entity, or

(ii) an account in respect of that business with a financial entity other than the one referred to in subparagraph (i), for a continuous period of 24 months ending immediately before the client opened an account with that financial entity;

(c) the financial entity has records that indicate that the client has deposited \$10,000 or more in cash into that account on an average of at least twice in every week for the preceding 12 months;

(d) the cash deposits made by the client are consistent with its usual practice in respect of the business;

(e) the financial entity has taken reasonable measures to determine the source of the cash for those deposits; and

(f) subject to subsection 52(1), the financial entity has provided to the Centre the information set out in Schedule 4.

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(2) Paragraph (1)(a) does not apply to a corporation that carries on a business related to pawnbroking or a corporation whose principal business is the sale of vehicles, vessels, farm machinery, aircraft, mobile homes, jewellery, precious gems or metals, antiquities or art.

(3) A financial entity that, in accordance with subsection (1), chooses not to report transactions of more than \$10,000 shall report to the Centre any change in the following information, within 15 days after the change is made:

- (a) the name and address of the client;
- (b) the nature of the client's business; and
- (c) the client's incorporation number.

(4) A financial entity that, in accordance with subsection (1), chooses not to report transactions of more than \$10,000 shall, at least once every 12 months,

- (a) verify that the conditions referred to in subsection (1) are still met in respect of each client; and
- (b) send a report to the Centre setting out the name and address of each client, together with the name of a senior officer of the financial entity who has confirmed that the conditions referred to in subsection (1) are still being met in respect of each client.

51. Where a person or entity maintains a list of clients for the purposes of subsection 9(3) of the Act, the list must contain the name and address of each client and be kept in paper form or in a form referred to in section 68.

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 ~~large cash transaction~~⁽²⁰⁰⁷⁾ 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)⁽²⁰⁰⁷⁾, the requirement to report information set out in Schedules 1 to 3, 5 and⁽²⁰⁰⁷⁾ 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.

ASCERTAINING IDENTITY

PERSONS OR ENTITIES REQUIRED TO KEEP LARGE CASH TRANSACTION RECORDS

53. Subject to subsection 63(1), every person or entity that is required to keep and retain a large cash transaction record under these Regulations shall ascertain, in accordance with paragraph 64(1)(~~a~~), the identity of every individual person with whom the person or entity conducts a transaction in respect of which that record must be kept, other than a deposit made to a business account or a deposit made by means of an automated banking machine.

SUSPICIOUS TRANSACTIONS

53.1 (1) Except where identity has been previously ascertained as required by these Regulations, every person or entity that is subject to these Regulations shall take reasonable measures to ascertain, in accordance with subsection 64(1), the identity of every person with whom the person or entity conducts a transaction that is required to be reported to the Centre under section 7 of the Act.

(2) Subsection (1) does not apply if the person or entity believes that complying with that subsection would inform the person that the transaction and the related information is being reported under section 7 of the Act.

53.2 For the purposes of section 9.2 of the Act, the prescribed circumstances are the circumstances in which a financial entity, a securities dealer or a casino is required to ascertain the identity of a person or confirm the existence of an entity in connection with the opening of a new account in accordance with section 64, 65 or 66, as applicable.

FINANCIAL ENTITIES

54. (1) Subject to subsections 62(~~2~~) and (~~4~~) and section 63, every financial entity shall

(a) in accordance with paragraph 64(1)(~~a~~), ascertain the identity of every person who signs a signature card in respect of an account, other than a credit card account, that the financial entity opens, except in the case of a business account the signature card of which is signed by more than three persons authorized to act with respect to the account, if the financial entity has ascertained the identity of at least three of those persons;

(b) in accordance with paragraph 64(1)(~~a~~), ascertain the identity of every person who has not signed a signature card in respect of an account held with the financial entity and has not been authorized to act with respect to such an account but who conducts

(i) a transaction whereby the financial entity issues or redeems money orders, traveller's cheques or other similar negotiable instruments in an amount of \$3,000 or more,

(ii) requests an electronic funds transfer, as prescribed by subsection 66.1(2), in an amount of \$1,000 or more, unless the person has signed a signature card in respect of an account held with the financial entity or is authorized to act with respect to such an account; sent at the request of a client, or

(eiii)(e) in accordance with paragraph 64(1)(a), ascertain the identity of every person who conducts a foreign currency exchange transaction of \$3,000 or more with the financial entity, unless the person has signed a signature card in respect of an account held with it;

(c) [Repealed]

(d) in accordance with section 65, confirm the existence of and ascertain the name and address of every corporation for which the financial entity opens an account and the names of the corporation's directors; and

(e) in accordance with section 66, confirm the existence of every entity, other than a corporation, for which the financial entity opens an account.

(2) For the purpose of paragraph (1)(a), where the person who signs a signature card is under 12 years of age, the financial entity shall ascertain the identity of the father, mother or guardian of the person in accordance with paragraph 64(1)(a).

54.1 Subject to subsections 62(1) and (2) and section 63, every financial entity shall

(a) where the financial entity opens a credit card account in the name of a person, ascertain their identity in accordance with subsection 64(1.1);

(b) where the financial entity opens a credit card account in the name of a corporation, confirm the existence of and ascertain the name and address of the corporation and the names of its directors in accordance with section 65; and

(c) where the financial entity opens a credit card account in the name of an entity other than a corporation, confirm the existence of the entity in accordance with section 66.

54.2 Subject to section 62 and subsection 63(5), every financial entity shall

(a) in accordance with subsection 67.1(2), take reasonable measures to determine whether a person for whom the financial entity opens an account is a politically exposed foreign person;

(b) take reasonable measures, based on the level of the risk referred to in subsection 9.6(2) of the Act, to determine whether a person who is an existing account holder is a politically exposed foreign person;

(c) in accordance with subsection 67.2(3), take reasonable measures to determine whether the person who initiates an electronic funds transfer of \$100,000 or more is a politically exposed foreign person; and

(d) in accordance with subsection 67.2(3), take reasonable measures to determine whether the person who is the beneficiary of an electronic funds transfer of \$100,000 or more is a politically exposed foreign person.

55. Subject to ~~subsections 62(4)~~ and ~~section 63~~, every trust company shall, in addition to complying with section 54,

(a) in accordance with paragraph 64(1)~~(a)~~, ascertain the identity of every person who is the settlor of an *inter vivos* trust in respect of which the company is required to keep records under section 15;

(b) in accordance with section 65, confirm the existence of and ascertain the name and address of every corporation that is the settlor of an institutional trust in respect of which the company is required to keep records in accordance with section 15;

(c) in accordance with section 66, confirm the existence of every entity, other than a corporation, that is the settlor of an institutional trust in respect of which the company is required to keep records in accordance with section 15;

(d) where an entity is authorized to act as a co-trustee of any trust

(i) confirm the existence of the entity and ascertain its name and address in accordance with section 65 or confirm the existence of the entity in accordance with section 66, as the case may be, and

(ii) in accordance with paragraph 64(1)~~(a)~~, ascertain the identity of all persons — up to three — who are authorized to give instructions with respect to the entity's activities as co-trustee; and

(e) in accordance with paragraph 64(1)~~(a)~~, ascertain the identity of each person who is authorized to act as co-trustee of any trust.

CORRESPONDENT BANKING RELATIONSHIPS

55.1⁽²⁰⁰⁷⁾ Every financial entity that enters into a correspondent banking relationship shall

(a) ascertain the name and address of the foreign financial institution by examining a copy of the foreign financial institution's banking licence, banking charter,

authorization or certification to operate from the relevant regulatory agency or certificate of corporate status or a copy of another similar document; and

(b) take reasonable measures to ascertain, based on publicly available information, whether there are any civil or criminal penalties that have been imposed on the foreign financial institution in respect of anti-money laundering or anti-terrorist financing requirements and, if so, to conduct, for the purpose of detecting any transactions that are required to be reported under section 7 of the Act, ongoing monitoring of all transactions in the context of the correspondent banking relationship.⁽²⁰⁰⁷⁾

55.2⁽²⁰⁰⁷⁾ In respect of correspondent banking relationships, where the customer of the foreign financial institution has direct access to the services provided under the correspondent banking relationship, the financial entity shall take reasonable measures to ascertain whether

(a) the foreign financial institution has, in respect of those of its customers that have direct access to the accounts of the financial entity, met requirements that are consistent with the requirements of sections 54 and 64; and

(b) the foreign financial institution has agreed to provide relevant customer identification data upon request to the financial entity.⁽²⁰⁰⁷⁾

LIFE INSURANCE COMPANIES AND LIFE INSURANCE BROKERS OR AGENTS

56. (1) Subject to subsections (2), section 56.2 and subsections 62(12) and, (3) ~~and (4)~~ and 63(1), every life insurance company or life insurance broker or agent shall ascertain, in accordance with paragraph subsection 64(1)(b), the identity of every person who conducts, on the person's own behalf or on behalf of a third party, a transaction with that life insurance company or life insurance broker or agent for which a client information record is required to be kept under section 19.

(2) A life insurance company or life insurance broker or agent is not required to ascertain the identity of a person where there are reasonable grounds to believe that the person's identity has been ascertained in accordance with paragraph 64(1)(b) by another life insurance company or life insurance broker or agent in respect of the same transaction or of a transaction that is part of a series of transactions that includes the original transaction.

(3) Subject to subsections 62(32) ~~and (4)~~ and 63(2) and (4), every life insurance company or life insurance broker or agent shall, in accordance with section 65, confirm the existence of and ascertain the name and address of every corporation in respect of which

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they are required to keep a client information record and the names of the corporation's directors.

(4) Subject to subsections 62(3~~2~~) and (4) and 63(3), every life insurance company or life insurance broker or agent shall, in accordance with section 66, confirm the existence of every entity, other than a corporation, in respect of which they are required to keep a client information record.

56.1 Subject to section 56.2 and subsections 62(2) and 63(5), every life insurance company or life insurance broker or agent shall, in accordance with subsection 67.2(3), take reasonable measures to determine if a person who makes a lump-sum payment of \$100,000 or more in respect of an immediate or deferred annuity or life insurance policy on their own behalf or on behalf of a third party is a politically exposed foreign person.

56.2 Sections 56 and 56.1 do not apply to a life insurance company or a life insurance broker or agent when they are dealing in reinsurance.

SECURITIES DEALERS

57. (1) Subject to ~~subsections (2) and (5), 62(2) and (4)~~ and subsection 63(1), every securities dealer shall ascertain, in accordance with paragraph 64(1)(~~e~~), the identity of every person who is authorized to give instructions in respect of an account for which a record must be kept by the securities dealer under subsection 23(1).

(2) [Repealed – See exceptions in revised section 62]

~~(2) Subsection (1) does not apply~~

~~(a) to business accounts in respect of which the securities dealer has already ascertained the identity of at least three persons who are authorized to give instructions in respect of the account;~~

~~(b) to accounts opened for the deposit and sale of shares from a corporate demutualization, an employee stock purchase plan or the privatization of a Crown corporation;~~

~~(c) to registered plan accounts, including locked-in retirement plan accounts, registered retirement savings plan accounts and group registered retirement savings plan accounts;~~

~~(d) to employees profit sharing plan accounts and deferred profit sharing plan accounts, unless the accounts are funded in whole or in part by contributions by a person or entity other than the employer;~~

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~~(e) to dividend reinvestment plan accounts sponsored by a corporation for its investors, unless the accounts are funded in whole or in part by a source other than the corporation; or~~

~~(f) to accounts in the name of foreign affiliates of a financial entity.~~

(3) Subject to section 62 and subsections 63(2) and (4), every securities dealer shall, in accordance with section 65, confirm the existence of and ascertain the name and address of every corporation for which it opens an account, and the names of the corporation's directors.

(4) Subject to section 62 and subsection 63(3), every securities dealer shall, in accordance with section 66, confirm the existence of every entity, other than a corporation, for which it opens an account.

~~(5) A securities dealer is not required to ascertain the identity of a person who is authorized to give instructions in respect of an account that is opened for the sale of mutual funds where there are reasonable grounds to believe that the person's identity has been ascertained in accordance with paragraph 64(1)(c) by another securities dealer in respect of~~

~~(a) the sale of the mutual funds for which the account has been opened; or~~

~~(b) a transaction that is part of a series of transactions that includes that sale.~~

57.1 (1) Subject to section 62 and subsection 63(5), every securities dealer shall, in accordance with subsection 67.1(2), take reasonable measures to determine if the person for whom the securities dealer opens an account is a politically exposed foreign person.

(2) Subject to section 62 and subsection 63(5), every securities dealer shall take reasonable measures, based on the level of the risk referred to in subsection 9.6(2) of the Act, to determine whether a person who is an existing account holder is a politically exposed foreign person.

~~PERSONS OR ENTITIES ENGAGED IN THE BUSINESS OF FOREIGN EXCHANGE DEALING~~

~~58. [Repealed] (1) Subject to subsection 63(1), every person or entity that is engaged in the business of foreign exchange dealing shall ascertain, in accordance with paragraph 64(1)(d), the identity of~~

~~(a) every individual in respect of whom a client information record is required to be kept or who conducts a transaction on behalf of a person or entity in respect of which a client information record is required to be kept; and~~

~~(b) every individual who conducts a transaction of \$3,000 or more with that person or entity and in respect of whom no client information record is kept.~~

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~~(2) Subject to subsection 63(2), every person or entity that is engaged in the business of foreign exchange dealing shall, in accordance with section 65, confirm the existence of and ascertain the name and address of every corporation in respect of which they keep a client information record and the names of the corporation's directors.~~

~~(3) Subject to subsection 63(3), every person or entity that is engaged in the business of foreign exchange dealing shall, in accordance with section 66, confirm the existence of every entity, other than a corporation, in respect of which they keep a client information record.~~

MONEY SERVICES BUSINESSES

59. Subject to subsection 63(1), every money services business shall

~~(a)~~ in accordance with paragraph 64(1)~~(d)~~, ascertain the identity of every person who conducts any of the following transactions; if the transaction is for \$3,000 or more and no client information record is kept in respect of that person, namely,

~~(i)~~ the issuance or redemption of money orders, traveller's cheques or other similar negotiable instruments, and in an amount of \$3,000 or more;

~~(ii)~~ the remittance or transmission of \$31,000 or more by any means through any person, or entity, or or electronic funds transfer network;

(c) a foreign currency exchange transaction of \$3,000 or more.

~~(b)~~ in accordance with paragraph 64(1)~~(d)~~, ascertain the identity of every person in respect of whom a client information record is required to be kept, with respect to a transaction of \$3,000 or more;

(2e) Subject to subsections (6) and 63(2) and (4), every money services business shall, in accordance with section 65, confirm the existence of and ascertain the name and address of every corporation in respect of which they are required to keep a client information record is required to be kept and and ascertain the name and address of the corporation and the names of the corporation's directors; and

(d3) Subject to subsections (6) and 63(3), every money services business shall, in accordance with section 66, confirm the existence of every entity, other than a corporation, in respect of which they are required to keep a client information record is required to be kept.

(4) Subsection (1) does not apply when a person referred to in section 32 conducts a transaction on behalf of their employer under an agreement referred to in that section.

(5) Subject to section 63, every money services business shall, in accordance with subsection 67.2(3),

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(a) take reasonable measures to determine whether the person who initiates an electronic funds transfer of \$100,000 or more is a politically exposed foreign person; and

(b) take reasonable measures to determine whether the person who is the beneficiary of an electronic funds transfer of \$100,000 or more is a politically exposed foreign person.

(6) Subsections (2) and (3) do not apply in respect of a corporation or an entity other than a corporation referred to in paragraph 62(2)(m) or (n) with which the money services business has entered into a service agreement referred to in section 32.

ACCOUNTANTS AND ACCOUNTING FIRMS

59.1 Subject to section 63, every accountant and every accounting firm shall, in respect of a transaction for which a record is required to be kept under subsection 36(1),

(a) in accordance with subsection 64(1), ascertain the identity of every person who conducts the transaction;

(b) in accordance with section 65, confirm the existence of and ascertain the name and address of every corporation on whose behalf the transaction is conducted and the names of its directors; and

(c) in accordance with section 66, confirm the existence of every entity, other than a corporation, on whose behalf the transaction is conducted.

REAL ESTATE BROKERS OR SALES REPRESENTATIVES

59.2 (1) Subject to section 63, every real estate broker or sales representative shall, in respect of a transaction for which a record is required to be kept under subsection 39(1),

(a) in accordance with subsection 64(1), ascertain the identity of every person who conducts the transaction;

(b) in accordance with section 65, confirm the existence of and ascertain the name and address of every corporation on whose behalf the transaction is conducted and the names of its directors; and

(c) in accordance with section 66, confirm the existence of every entity, other than a corporation, on whose behalf the transaction is conducted.

(2) Where the persons or entities that are parties to a real estate transaction are each represented by a different real estate broker or sales representative, the real estate broker

or sales representative that represents one party is not required to ascertain the identity or the name and address of any other party or confirm their existence.

(3) Where one or more but not all of the parties to a real estate transaction are represented by a real estate broker or sales representative, each real estate broker or sales representative that represents a party to the transaction shall ascertain the identity or confirm the existence of the parties that are not so represented.

CASINOS

60. Subject to subsection 62(21) and section 63, every casino shall

(a) in accordance with paragraph 64(1)(a), ascertain the identity of every person who signs a signature card in respect of an account that the casino opens, except in the case of a business account whose signature card is signed by more than three persons authorized to act with respect to the account, if the casino has ascertained the identity of at least three of those persons;

(b) in accordance with paragraph 64(1)(b), ascertain the identity of every person who

(i) conducts a transaction with the casino for which a large cash disbursement record is required to be kept under subsection 42(1);

~~(c)(ii) in accordance with paragraph 64(1)(c), ascertain the identity of every person who~~ conducts a transaction of \$3,000 or more with the casino for which an extension of credit record is required to be kept under paragraph 43(d);

~~(d)(iii) in accordance with paragraph 64(1)(d), ascertain the identity of every person who~~ conducts a foreign currency exchange transaction of \$3,000 or more with the casino for which a transaction ticket is required to be kept under paragraph 43(e);

(iv) requests that an amount of \$1,000 or more be remitted or transmitted;

(e) in accordance with section 65, confirm the existence of and ascertain the name and address of every corporation for which the casino opens an account and the names of the corporation's directors; and

(f) in accordance with section 66, confirm the existence of every entity, other than a corporation, for which the casino opens an account.

DEPARTMENTS OR AGENTS OF HER MAJESTY IN RIGHT OF CANADA OR OF A PROVINCE THAT SELL OR REDEEM MONEY ORDERS

61. Subject to section 63, a department or agent of Her Majesty in right of Canada or of a province that engages in an activity referred to in section 46 shall

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- (a) in accordance with paragraph 64(1)(~~b~~), ascertain the identity of every person in respect of whom a client information record is kept under paragraph 49(a);
- (b) in accordance with paragraph 64(1)(~~d~~), ascertain the identity of every person in respect of whom ~~no~~ they are not required to keep a client information record ~~is kept~~ and who conducts a transaction that involves an amount of \$3,000 or more for the issuance or redemption of money orders or other similar negotiable instruments;
- (c) in accordance with section 65, confirm the existence of and ascertain the name and address of every corporation in respect of which a client information record is required to be kept under paragraph 49(a) and the names of the corporation's directors; and
- (d) in accordance with section 66, confirm the existence of every entity, other than a corporation, in respect of which a client information record is required to be kept under paragraph 49(a).

EXCEPTIONS TO RECORD-KEEPING AND ASCERTAINING IDENTITY

62. (1) Sections 54, 54.1, 54.2, 55, 57, 57.1 and 60 do not apply in respect of

(a) the opening of a business account in respect of which the financial entity, the securities dealer or the casino, as the case may be, has already ascertained the identity of at least three persons who are authorized to give instructions in respect of the account;

(b) the opening of an account for the sale of mutual funds where there are reasonable grounds to believe that identity has been ascertained in accordance with subsection 64(1) by a securities dealer in respect of

(i) the sale of the mutual funds for which the account has been opened, or

(ii) a transaction that is part of a series of transactions that includes that sale; or

(c) a person who already has an account with the financial entity, the securities dealer or the casino, as the case may be.

(2) Sections 14, 14.1, 19, 23, 54, 54.1, 54.2, 55, 56, 56.1, 57 and 57.1 do not apply in respect of

(a) the purchase of an exempt policy as defined in subsection 306(1) of the *Income Tax Regulations*, as it read on May 1, 1992;

(b) the purchase of a group life insurance policy that does not provide for a cash surrender value or a savings component;

~~(1) Subsection 56(1) does not apply in respect of any of the following transactions:~~

~~(a) the purchase of an immediate or deferred annuity that is paid for entirely with funds that are directly transferred from a registered pension plan or from a pension plan that is required to be registered under the *Pension Benefits Standards Act, 1985*, or similar provincial legislation;~~

~~(b) the purchase of a registered annuity policy ~~in respect of an annuity referred to in subsection (5)~~ or a registered retirement income fund;~~

~~(c) the purchase of an immediate or deferred annuity that is paid for entirely with the proceeds of a group life insurance policy;~~

~~(d) a transaction that is part of a reverse mortgage or of a structured settlement;~~

(g) the opening of an account for the deposit and sale of shares from a corporate demutualization or the privatization of a Crown corporation;

(h) the opening of an account in the name of an affiliate of a financial entity, if that affiliate carries out activities that are similar to those of persons and entities referred to in paragraphs 5(a) to (g) of the Act;

~~(e) the opening of a registered plan account, including a locked-in retirement plan account, a registered retirement savings plan account and a group registered retirement savings plan account;~~

(j) the opening of an account established pursuant to the escrow requirements of a Canadian securities regulator or Canadian stock exchange or any provincial legislation;

(k) the opening of an account where the account holder or settlor is a pension fund that is regulated by or under an Act of Parliament or of the legislature of a province;

(l) the opening of an account in the name of, or in respect of which instructions are authorized to be given by, a financial entity, a securities dealer or a life insurance company or by an investment fund that is regulated under provincial securities legislation;

~~(f) the opening of an employees profit sharing plan account or a deferred profit sharing plan account, unless the account is funded in whole or in part by contributions by a person or entity other than the employer; or~~

~~(g) the opening of a dividend reinvestment plan account sponsored by a corporation for its investors, unless the account is funded in whole or in part by a source other than the corporation.~~

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~~(2) Paragraph 54(1)(a), subsection 57(1) and paragraph 60(a) do not apply if~~

~~(a) the person already has an account with the financial entity, the securities dealer or the casino, as the case may be; or~~

~~(b) there are reasonable grounds to believe that the account holder~~ instances where the entity in respect of which a client information record is otherwise required to be kept is a public body, or a corporation that has minimum net assets of \$75 million on its last audited balance sheet and whose shares are traded on a Canadian stock exchange or a stock exchange that is prescribed by section 3201 of the *Income Tax Regulations* and operates in a country that is a member of the Financial Action Task Force ~~on Money Laundering;~~

(n) instances where the entity in respect of which a client information record is otherwise required to be kept is a subsidiary of a public body or a corporation referred to in paragraph (m) and the financial statements of the entity are consolidated with the financial statements of that public body or corporation; or

(o) the opening of an account that is opened solely in the course of providing customer accounting services to a securities dealer.

(3) In respect of a group plan account, other than a group plan account referred to in subsection (2), a financial entity, securities dealer, life insurance company or life insurance broker or agent is not required to ascertain the identity of, or keep a signature card in respect of, any individual member of the group plan or determine whether they are a politically exposed foreign person if

(a) the member's contributions are made by the sponsor of the plan or by means of payroll deductions; and

(b) the existence of the plan sponsor has been confirmed in accordance with section 65 or 66.

~~(3) Subsections 56(1), (3) and (4) do not apply if the entity in respect of which a client information record is required to be kept is a public body or a corporation referred to in paragraph (2)(b).~~

~~(4) Paragraphs 54(1)(a) and 55(b) and (c) and subsections 56(1), (3) and (4) and 57(1) do not apply if the account holder or settlor is a pension fund that is regulated by or under an Act of Parliament or of the legislature of a province.~~

~~(5) Subsection 54(1) does not apply in respect of~~

~~(a) employees profit sharing plan accounts and deferred profit sharing plan accounts, unless the accounts are funded in whole or in part by contributions by a person or entity other than the employer; or~~

~~(b) dividend reinvestment plan accounts sponsored by a corporation for its investors, unless the accounts are funded in whole or in part by a source other than the corporation.~~

63. (1) Where a person has ascertained the identity of another person in accordance with section 64, the person is not required to subsequently ascertain that same identity again if they recognize that other person.

(1.1) Subsection (1) does not apply where the person has doubts about the information collected.

(2) Where a person has confirmed the existence of a corporation and ascertained its name and address and the names of its directors in accordance with section 65, the person is not required to subsequently confirm or ascertain that same information.

(3) Where a person has confirmed the existence of an entity other than a corporation in accordance with section 66, the person is not required to subsequently confirm that same information.

(4) Despite paragraphs 54(1)(d) and ~~55~~54.1(b), subsections 56(3), 57(3) and ~~58~~59(32) and paragraphs ~~59.1~~59.1(eb), ~~59.2~~59.2(1)(b), 60(e) and 61(c), the names of a corporation's directors need not be ascertained when the corporation is a securities dealer.

(5) A person or entity that has determined that a person is a politically exposed foreign person in accordance with section 54.2, 56.1 or 57.1 or subsection 59(5) is not required to subsequently determine if that same person is a politically exposed foreign person.

MEASURES FOR ASCERTAINING IDENTITY

64. (1) In the cases referred to in sections 53, 53.1, 54, 55, 56, 57, 59, 59.1, 59.2, 60 and 61, the identity of a person shall be ascertained, at the time referred to in subsection (2) and in accordance with subsection (3),

(a) ~~in the cases referred to in paragraphs 54(1)(a) to (e), 55(a), (d) and (e) and 60(a),~~

~~(i)~~ by referring to the person's birth certificate, driver's licence, provincial health insurance card (if such use of the card is not prohibited by the applicable provincial law), passport or any similar record, or

~~(ii)~~ where the person is not physically present when the account is opened, the credit card application is submitted, ~~or when~~ the trust is established, the client information

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record is created or the transaction is conducted;~~by confirming that a cheque drawn by the person on an account of a financial entity has been cleared;~~

(i) by obtaining the person's name, address and date of birth and

(A) confirming that one of the following entities has identified the person in accordance with paragraph (a), namely,

(I) an entity, referred to in any of paragraphs 5(a) to (g) of the Act, that is affiliated with the entity ascertaining the identity of the person,

(II) an entity that carries on activities outside Canada similar to the activities of a person or entity referred to in any of paragraphs 5(a) to (g) of the Act and that is affiliated with the entity ascertaining the identity of the person, or

(III) an entity that is a member of the same association — being a central cooperative credit society as defined in section 2 of the *Cooperative Credit Associations Act*— as the entity ascertaining the identity of the person, and

(B) verifying that the name, address and date of birth in the record kept by that affiliated entity or that entity that is a member of the same association corresponds to the information provided in accordance with these Regulations by the person, or

(ii) subject to subsection (1.3), by using one of the following combinations of the identification methods set out in Part A of Schedule 7, namely,

(A) methods 1 and 3,

(B) methods 1 and 4,

(C) methods 1 and 5,

(D) methods 2 and 3,

(E) methods 2 and 4,

(F) methods 2 and 5,

(G) methods 3 and 4, or

(H) methods 3 and 5.

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(1.1) In the case referred to in paragraph 54.1(a), the identity of a person shall be ascertained by a person or entity, at the time referred to in subsection (2) and in accordance with subsection (3).

(a) by referring to the person's birth certificate, driver's licence, provincial health insurance card (if such use of the card is not prohibited by the applicable provincial law), passport or other similar document; or

(b) where the person is not physically present when the credit card application is submitted,

(i) by obtaining the person's name, address and date of birth and

(A) confirming that one of the following entities has identified the person in accordance with paragraph (a), namely,

(I) an entity, referred to in any of paragraphs 5(a) to (g) of the Act, that is affiliated with the entity ascertaining the identity of the person,

(II) an entity that carries on activities outside Canada similar to the activities of a person or entity referred to in any of paragraphs 5(a) to (g) of the Act and that is affiliated with the entity ascertaining the identity of the person, or

(III) an entity that is a member of the same association — being a central cooperative credit society as defined in section 2 of the *Cooperative Credit Associations Act* — as the entity ascertaining the identity of the person, and

(B) verifying that the name, address and date of birth in the record kept by that affiliated entity or that entity that is a member of the same association corresponds to the information provided in accordance with these Regulations by the person,

(ii) subject to subsection (1.3), by using a combination of any two identification methods referred to in either Part A or Part B of Schedule 7, or

(iii) subject to subsection (1.3), where the person has no credit history in Canada and the credit limit on the card is not more than \$1,500, by using a combination of any two identification methods referred to in any of Parts A, B and C of Schedule 7.

(1.2) For the purposes of paragraphs (1)(b)(i) and (1.1)(b)(i), an entity is affiliated with another entity if one of them is wholly-owned by the other or both are wholly-owned by the same entity.

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(1.3) A combination of methods referred to in subparagraph (1)(b)(ii) or (1.1)(b)(ii) or (iii) shall not be relied on by a person or entity to ascertain the identity of a person unless

(a) the information obtained in respect of that person from each of the two applicable identification methods is determined by the person or entity to be consistent; and

(b) the information referred to in paragraph (a) is determined by the person or entity to be consistent with the information in respect of that person, if any, that is contained in a record kept by the person or entity under these Regulations.

~~(b) in the cases referred to in subsection 56(1) and paragraph 61(a),~~

~~(i) by referring to the person's birth certificate, driver's licence, provincial health insurance card (if such use of the card is not prohibited by the applicable provincial law), passport or any similar record, or~~

~~(ii) where the person is not physically present when the client information record is created, by confirming that~~

~~(A) a cheque drawn by the person on an account of a financial entity has been cleared, or~~

~~(B) the person holds an account in the person's name with a financial entity;~~

~~(c) in a case referred to in section 57,~~

~~(i) by referring to the person's birth certificate, driver's licence, provincial health insurance card (if such use of the card is not prohibited by the applicable provincial law), passport or any similar record, or~~

~~(ii) where the person is not physically present when the account is opened, by confirming that~~

~~(A) a cheque drawn by the person on an account of a financial entity has been cleared, or~~

~~(B) the person holds an account in the person's name with a financial entity;
and~~

~~(d) in the cases referred to in section 53, subsection 58(1) and paragraphs 59(a) and (b), 60(b) to (d) and 61(b), by referring to the person's birth certificate, driver's licence, provincial health insurance card (if such use of the card is not prohibited by the applicable provincial law), passport or any similar record.~~

(2) The identity shall be ascertained

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(a) in the cases referred to in paragraphs 54(1)(a), subsection 57(1) and 60(a), before any transaction other than an initial deposit is carried out on an account;

(b) in the cases referred to in section 53, paragraphs 54(1)(b) ~~and (c)~~, subsection 59(1) and paragraphs ~~59(a) and (b)~~, 60(b) ~~to (d)~~ and 61(b), at the time of the transaction;

(b.1) in the case referred to in section 53.1, before the transaction is reported as required under section 7 of the Act;

(b.2) in the case referred to in paragraph 54.1(a), before any credit card is activated;

(c) in the cases referred to in paragraphs 55(a), (d) and (e), within 15 days after the trust company becomes the trustee;

(d) in the cases referred to in subsection 56(1) and paragraph 61(a), within ~~six months~~ 30 days after the client information record is created; ~~and~~

(e) in the cases referred to in ~~section 57, within six months after the account is opened~~ paragraphs 59.1(a) and 59.2(1)(a), at the time of the transaction; and

(f) in the case referred to in subsection 62(3), at the time a contribution in respect of an individual member of the group plan is made to the plan, if

(i) the member's contribution is not made as described in paragraph 62(3)(a), or

(ii) the existence of the plan sponsor has not been confirmed in accordance with section 65 or 66.

(3) Unless otherwise specified in these Regulations, only original documents that are valid and have not expired may be referred to for the purpose of ascertaining identity in accordance with paragraph (1)(a) or (1.1)(a). A person who ascertains the identity of a person by referring to a document pursuant to subsection (1) shall refer to the original document and not a copy of it

64.1 (1) A person or entity required to take measures to ascertain identity under subsection 64(1) or (1.1) may rely on an agent or mandatary to take the identification measures described in paragraph 64(1)(a) or (1.1)(a), respectively, only if that person or entity has entered into an agreement or arrangement, in writing, with that agent or mandatary for the purposes of ascertaining identity.

(2) A person or entity that enters into an agreement or arrangement referred to in subsection (1) must obtain from the agent or mandatary the customer information obtained by the agent or mandatary under that agreement or arrangement.

65. (1) The existence of a corporation shall be confirmed and its name and address and the names of its directors shall be ascertained as of the time referred to in subsection (2), by referring to its certificate of corporate status, a record that it is required to file annually under the applicable provincial securities legislation or any other record that ascertains its existence as a corporation. The record may be in paper form or in an electronic version that is obtained from a source that is accessible to the public.

(2) The information referred to in subsection (1) shall be ascertained,

(a) in the case referred to in paragraphs 54(1)(d) and 60(e), before any transaction other than the initial deposit is carried out on the account;

(a.1) in the case referred to in paragraph 54.1(b), before any credit card is issued on the account;

(b) in the cases referred to in paragraphs 55(b) and (d), within 15 days after the trust company becomes the trustee;

(c) in the cases referred to in subsections 56(3) and ~~58~~59(2) and paragraphs ~~59(e)~~ and 61(c), within ~~six months~~30 days after the client information record is created; and

(d) in the case referred to in subsection 57(3), within ~~six months~~30 days after the opening of the account, and

(e) in the cases referred to in paragraphs 59.1(b) and 59.2(1)(b), within 30 days after the transaction.

(3) Where the information has been ascertained by referring to an electronic version of a record, the person or entity required to ascertain the information shall keep a record that sets out the corporation's registration number, the type of record referred to and the source of the electronic version of the record.

(4) Where the information has been ascertained by referring to a paper copy of a record, the person or entity required to ascertain the information shall retain the record or a copy of it.

66. (1) The existence of an entity, other than a corporation, shall be confirmed as of the time referred to in subsection (2), by referring to a partnership agreement, articles of association or other similar record that ascertains its existence. The record may be in paper form or in an electronic version that is obtained from a source that is accessible to the public.

(2) The existence of the entity shall be confirmed

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(a) in the case referred to in paragraphs 54(1)(e) and 60(f), before any transaction other than the initial deposit is carried out on the account;

(a.1) in the case referred to in paragraph 54.1(c), before any credit card is issued on the account;

(b) in the cases referred to in paragraphs 55(c) and (d), within 15 days after the trust company becomes the trustee;

(c) in the cases referred to in subsections 56(4) and ~~58~~59(3) and paragraphs ~~59(d)~~ and 61(d), within ~~six months~~30 days after the client information record is created; and

(d) in the case referred to in subsection 57(4), within ~~six months~~30 days after the account is opened, and

(e) in the cases referred to in paragraphs 59.1(c) and 59.2(1)(c), within 30 days after the transaction.

(3) Where the existence of the entity has been confirmed by referring to an electronic version of a record, the person or entity required to confirm that information shall keep a record that sets out the registration number of the entity whose existence is being confirmed, the type of record referred to and the source of the electronic version of the record.

(4) Where the existence of the entity has been confirmed by referring to a paper copy of a record, the person or entity required to confirm that information shall retain the record or a copy of it.

66.1 (1) The prescribed persons or entities for the purpose of section 9.5 of the Act are every financial entity, money services business and casino that is required to keep a record under these Regulations in respect of an electronic funds transfer referred to in subsection (2).

(2) Subject to subsection (3), the prescribed electronic funds transfers to which section 9.5 of the Act applies are electronic funds transfers as defined in subsection 1(2) — but including transfers within Canada that are SWIFT MT 103 messages — that are sent at the request of a client by a means that allows for the information referred to in paragraph 9.5(a) of the Act to be included with the transfers.[†]

(3) For greater certainty, subsection (2) does not apply in respect of

[†] Amended effective June 23, 2009 as follows:

(2) Subject to subsection (3), the prescribed electronic funds transfers to which section 9.5 of the Act applies are ~~electronic funds transfers~~those as defined in subsection 1(2), —but including transfers within Canada that are SWIFT MT 103 messages —~~that are sent at the request of a client by a means that allows for the information referred to in paragraph 9.5(a) of the Act to be included with the transfers.~~

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(a) a transfer carried out using a credit or debit card, if the recipient has an agreement with the payment service provider permitting payment by such means for the provision of goods and services;

(b) a transfer where the recipient withdraws cash from their account;

(c) a transfer carried out by means of a direct deposit or a pre-authorized debit; or

(d) a transfer carried out using cheque imaging and presentment.

67. Every person or entity that is required by these Regulations to ascertain the identity of a person in connection with a record that the person or entity has created and is required to keep under these Regulations, or a transaction that they have carried out and in respect of which they are required to keep a record under these Regulations or under section 12.1 of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Suspicious Transaction Reporting Regulations*, ~~accordance with any of sections 53 to 61~~ shall set out ~~on or in or include with that record the name of that person and the signature card, client information record, transaction ticket, large cash transaction record, large cash disbursement record, extension of credit record, account operating agreement or account application form, as the case may be,~~

~~(a) the date of birth of the person;~~

~~(b) the type and reference number of the record that is relied on to ascertain the identity of the person, where the record is~~ if a birth certificate, driver's licence, provincial health insurance card (if such use of the card is not prohibited by the applicable provincial law), passport or any similar record is relied on to ascertain the person's identity, the type and reference number of the record, and the place of issuance of that record where it was issued;

~~(c) if a confirmation of a cleared cheque from a financial entity is relied on to ascertain the person's identity, the name of the financial entity and the account number of the deposit account on which the cheque was drawn, where the clearing of a cheque from a financial entity is relied on to ascertain the identity of the person; and~~

~~(d) if the person's identity is ascertained by confirming that they hold a deposit account with a financial entity, the name of the financial entity at which an where the account is held and the number of the account and the date of the confirmation; where the identity of the person is ascertained by confirming that the person holds an account with a financial entity.~~

(d) if the person's identity is ascertained by relying on a previous confirmation of their identity by an entity that is affiliated with the entity ascertaining the identity of the person or an entity that is a member of the same association — being a central cooperative credit society as defined in section 2 of the *Cooperative Credit*

Associations Act — as the entity ascertaining the identity of the person, the name of that entity and the type and reference number of the record that entity previously relied on to ascertain the person's identity;

(e) if an identification product is used to ascertain the person's identity, the name of the identification product, the name of the entity offering the product, the search reference number and the date the product was used to ascertain the person's identity;

(f) if the person's identity is ascertained by consulting a credit file kept by an entity in respect of the person, the name of the entity and the date of the consultation;

(g) if the person's identity is ascertained from an attestation signed by a commissioner of oaths in Canada or a guarantor in Canada, the attestation;

(h) if the person's identity is ascertained by consulting an independent data source, the name of the data source, the date of the consultation and the information provided by the data source;

(i) if the person's identity is ascertained by relying on a utility invoice issued in the person's name, the invoice or a legible photocopy or electronic image of the invoice;

(j) if the person's identity is ascertained by relying on a photocopy or electronic image of a document provided by the person, that photocopy or electronic image; and

(k) if the person's identity is ascertained by relying on a deposit account statement issued in the person's name by a financial entity, a legible photocopy or electronic image of the statement.

DUE DILIGENCE MEASURES IN RESPECT OF POLITICALLY EXPOSED FOREIGN PERSONS

67.1 (1) A financial entity or securities dealer that has determined under paragraph 54.2(a) or (b) or section 57.1 that a person is a politically exposed foreign person shall

(a) take reasonable measures to establish the source of the funds that have been, will be or are expected to be deposited in the account in question;

(b) subject to subsections (2) and (3), obtain the approval of senior management to keep the account open; and

(c) conduct enhanced ongoing monitoring of the activities in respect of the account for the purpose of detecting transactions that are required to be reported to the Centre under section 7 of the Act.

(2) The determination referred to in paragraph 54.2(a) and section 57.1(1) as to whether a person is a politically exposed foreign person shall be made, and the approval referred to

in paragraph (1)(b) shall be obtained, within 14 days from the day on which the account is activated.

(3) The approval referred to in paragraph (1)(b) shall be obtained within 14 days after the day on which a financial entity or securities dealer has determined under paragraph 54.2(b) or subsection 57.1(2) that a person is a politically exposed foreign person.

67.2 (1) A financial entity, life insurance company or life insurance broker or agent or money services business that has determined under paragraph 54.2(c), section 56.1 or paragraph 59(5)(a) that a person is a politically exposed person shall take reasonable measures to establish the source of the funds that have been used for the transaction in question.

(2) Where a financial entity, life insurance company, life insurance broker or agent or money services business has determined under paragraph 54.2(c) or (d), section 56.1 or subsection 59(5) that a person is a politically exposed foreign person, a member of senior management shall review the transaction in question in accordance with subsection (3).

(3) The determination, referred to in paragraphs 54.2(c) and (d), section 56.1 and subsection 59(5), as to whether a person is a politically exposed foreign person and the review of a transaction referred to in subsection (2) shall be completed within 14 days after the day on which the transaction occurred.

RETENTION OF RECORDS

68. Where any record is required to be kept under these Regulations, a copy of it may be kept

(a) in a machine-readable form, if a paper copy can be readily produced from it; or

(b) in an electronic form, if a paper copy can be readily produced from it and an electronic signature of the person who must sign the record in accordance with these Regulations is retained.

69. (1) Subject to subsection (2), every person or entity that is required to obtain, keep or create records under these Regulations shall retain those records for a period of at least five years following

(a) in respect of signature cards, account operating agreements, client credit files and account application forms, the day of the closing of the account to which they relate;

(b) in respect of client information records, certificates of corporate status, records that are required to be filed annually under the applicable provincial securities legislation or other similar records that ascertain the existence of a corporation, and records that ascertain the existence of an entity, other than a corporation, including

partnership agreements and articles of association, the day on which the last business transaction is conducted; and

(c) in respect of all other records, the day on which they were created.

(2) Where records that an individual keeps under these Regulations are the property of the individual's employer or a person or entity with which the individual is in a contractual relationship, the individual is not required to retain the records after the end of the individual's employment or contractual relationship.

70. Every record that is required to be kept under these Regulations shall be retained in such a way that it can be provided to an authorized person within 30 days after a request is made to examine it under section 62 of the Act.

COMPLIANCE

71. (1) For the purposes of subsection 9.6(1)~~paragraph 3(a)~~ of the Act, ~~and to assist the Centre in carrying out its mandate under paragraph 40(e) of the Act, every~~ a person or entity referred to which any of paragraphs 5(a) to (l) of the Act applies in that subsection shall, as applicable, implement a regime for complying with the Act and any Regulations made under the Act~~the compliance program referred to in that subsection by~~t.

~~(2) The compliance regime shall include, as far as practicable,~~

~~(a) the appointment of~~appointing a person — who, where the compliance program is being implemented by a person, may be ~~the that~~ person ~~referred to in subsection (1)~~ — who is to be responsible for the implementation of the ~~regime~~program;

~~(b) the development~~menting and ~~application~~applying of written compliance policies and procedures that are kept up to date and, in the case of an entity, are approved by a senior officer; ;

~~(c) assessing and documenting, in a manner that is appropriate for the person or entity, the risk referred to in subsection 9.6(2) of the Act, taking into consideration~~

~~(i) the clients and business relationships of the person or entity,~~

~~(ii) the products and delivery channels of the person or entity,~~

~~(iii) the geographic location of the activities of the person or entity, and~~

~~(iv) any other relevant factor;~~

~~(e) a review of those policies and procedures that is conducted as often as necessary to test their effectiveness by an internal or external auditor of the person or entity or, if it does not have such an auditor, by the person or entity itself; and~~

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(d) ~~where if~~ the person or entity has employees, ~~or~~ agents or persons authorized to act on ~~their~~ behalf ~~of the person or entity~~, developing and maintaining a written an ongoing compliance training program for those employees, agents or persons; and

(e) instituting and documenting a review of the policies and procedures, the risk assessment and the training program for the purpose of testing their effectiveness, which review is required to be carried out every two years by an internal or external auditor of the person or entity, or by the person or entity if they do not have such an auditor.

(2) For the purposes of the compliance program referred to in subsection 9.6(1) of the Act, every entity referred to in that subsection shall report the following in written form to a senior officer within 30 days after the assessment:

(a) the findings of the review referred to in paragraph (1)(e);

(b) any updates made to the policies and procedures within the reporting period; and

(c) the status of the implementation of the updates to those policies and procedures.

71.1 The prescribed special measures that are required to be taken by a person or entity referred to in subsection 9.6(1) of the Act for the purpose of subsection 9.6(3) of the Act are the development and application of written policies and procedures for

(a) taking reasonable measures to keep client identification information and the information referred to in section 11.1 up to date;

(b) taking reasonable measures to conduct ongoing monitoring for the purpose of detecting transactions that are required to be reported to the Centre under section 7 of the Act; and

(c) mitigating the risks identified in accordance with subsection 9.6(3) of the Act.

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SCHEDULE 1

(Paragraph 12(1)(a), sections 17 and 21, paragraphs 24(1)(a) and 28(1)(a), sections ~~32, 35 and~~ 38, paragraph 40(1)(a), and section 47 and subsections 52(1) and (3))

LARGE CASH TRANSACTION REPORT

PART A — Information on Place of Business Where Transaction Occurred

1.* Type of reporting person or entity, as described in paragraphs 5(a) to (h), (k) and (l) of the Act, and, if reporting person or entity is referred to in paragraph 5(i) or (j) of the Act, type of business, profession or activity of reporting person or entity, as described in sections 16, ~~27,~~ 34, 37, 45 and 46 of these Regulations

2.* Identification number of place of business where transaction occurred (e.g., institution's identification number, licence number or registration number), if applicable

3.* Full name of reporting person or entity

4.* Full address of place of business where transaction occurred

5.* Name and telephone number of contact person

PART B — Information on Transaction

1.* Date of transaction or night deposit indicator

2. Time of transaction and, for a transaction for which the date is provided in item 1, the posting date (if different from the date of the transaction)

3. Posting date for a transaction for which night deposit indicator is provided in item 1, if date of transaction is not provided(~~if different from above~~)

4.* Purpose and details of the transaction, including amount of transaction and currency of transaction

5.* Disposition of funds, amount of disposition, currency of disposition and, if applicable, name and number of each other institution and name, account number and policy number of each other person or entity

6.* Method by which the transaction is conducted (in branch or office, ABM, armoured car, mail deposit, courier or other)

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PART C — Account Information (if applicable)

- 1.* Account number
- 2.* Branch number or transit number
- 3.* Type of account (personal, business, trust or other)
- 4.* Full name of each account holder
- 5.* Type of currency of the account

PART D — Information on Person Conducting Transaction That Is not a Deposit Into a Business Account (if applicable)

- 1.* Person's full name
- 2.* Client number provided by reporting person or entity, if applicable
- 3.* Person's full address
4. Person's personal telephone number
5. Person's country of residence
- 6.* Person's type of identifier (e.g., driver's licence, birth certificate, provincial health insurance card — if such use of the card is not prohibited by the applicable provincial law — or passport) and identifier number
- 7.* Place of issue of person's identifier (province or state, country)
- 8.* Person's date of birth
9. Person's business telephone number
- 10.* Person's occupation

PART E — Information on Person Conducting Transaction That Is a Deposit Into a Business Account Other Than a Night Deposit or a Quick Drop (if applicable)

- 1.* Person's full name

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PART F — Information on Entity on Whose Behalf Transaction is Conducted (if applicable)

- 1.* Entity's full name
- 2.* Entity's incorporation number and place of issue of its incorporation number, if applicable
- 3.* Entity's type of business
- 4.* Entity's full address
5. Entity's telephone number
6. Full name of each person — up to three — who is authorized to bind the entity or act with respect to the account

PART G — Information on Person on Whose Behalf Transaction is Conducted (if applicable)

- 1.* Person's full name
- 2.* Person's full address
3. Person's personal telephone number
4. Person's business telephone number
5. Person's type of identifier (e.g., driver's licence, birth certificate, provincial health insurance card — if such use of the card is not prohibited by the applicable provincial law — or passport) and identifier number
6. Place of issue of person's identifier (province or state, country)
7. Person's date of birth
8. Person's occupation
9. Person's country of residence
10. Relationship of person conducting the transaction to the person on whose behalf the transaction is conducted

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SCHEDULE 2

(Paragraphs 12(1)(b), ~~24(1)(b)~~ and 28(1)(b) and subsections 52(1), (3) and (4))

OUTGOING SWIFT MESSAGES REPORT INFORMATION

PART A — Transaction Information

1. Time indication
- 2.* Value date
- 3.* Amount of electronic funds transfer
- 4.* Currency of electronic funds transfer
5. Exchange rate
6. Transaction type code

PART B — Information on Client Ordering Payment of Electronic Funds Transfer

- 1.* Client's full name
- 2.* Client's full address
- 3.* Client's account number, if applicable

PART C — Information on Person or Entity Sending Electronic Funds Transfer (person or entity that sends payment instructions)

- 1.* (a) Bank Identification Code (BIC)

- or -

(b) Full name and full address

PART D — Information on Person or Entity Ordering Electronic Funds Transfer on Behalf of a Client (ordering institution) (if applicable)

- 1.* (a) Bank Identification Code (BIC)

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- or -

(b) Full name and full address

PART E — Information on Sender's Correspondent (person or entity, other than sending person or entity, acting as reimbursement bank for sender) (if applicable)

1.* (a) Bank Identification Code (BIC)

- or -

(b) Full name and full address

PART F — Information on Receiver's Correspondent (person or entity acting as reimbursement bank for receiver) (if applicable)

1.* (a) Bank Identification Code (BIC)

- or -

(b) Full name and full address

PART G — Information on Third Reimbursement Institution (receiver's branch, when the funds are made available to it through a financial institution other than sender's correspondent) (if applicable)

1.*(a) Bank Identification Code (BIC)

- or -

(b) Full name and full address

PART H — Information on Intermediary Institution (financial institution, between receiver and account with institution, through which transaction must pass) (if applicable)

1.* (a) Bank Identification Code (BIC)

- or -

(b) Full name and full address

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PART I — Information on Account with Institution (financial institution when other than the receiver that services account for the beneficiary customer) (if applicable)

1.* (a) Bank Identification Code (BIC)

- or -

(b) Full name and full address

PART J — Information on Person or Entity Receiving Electronic Funds Transfer (person or entity receiving payment instructions)

1.* (a) Bank Identification Code (BIC)

- or -

(b) Full name and full address

PART K — Information on Client to Whose Benefit Payment is Made

1.* Client's full name

2.* Client's full address

3.* Client's account number, if applicable

PART L — Additional Payment Information

1. Remittance information

2. Details of charges

3. Sender's charges

4. Sender's reference

5. Bank operation code

6. Instruction code

7. Sender-to-receiver information

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8. Regulatory reporting

9. Envelope contents

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SCHEDULE 3

(*Paragraphs 12(1)(c), ~~24(1)(e)~~ and 28(1)(c) and subsections 52(1), (3) and (4)*)

INCOMING SWIFT MESSAGES REPORT INFORMATION

PART A — Transaction Information

1. Time indication
- 2.* Value date
- 3.* Amount of electronic funds transfer
- 4.* Currency of electronic funds transfer
5. Exchange rate
6. Transaction type code

PART B — Information on Client Ordering Payment of Electronic Funds Transfer

1. Client's full name
2. Client's full address
3. Client's account number, if applicable

PART C — Information on Person or Entity Sending Electronic Funds Transfer (person or entity that sends payment instructions)

1. (a) Bank Identification Code (BIC)

- or -

- (b) Full name and full address

PART D — Information on Person or Entity Ordering Electronic Funds Transfer on Behalf of a Client (ordering institution)

1. (a) Bank Identification Code (BIC)

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- or -

(b) Full name and full address

PART E — Information on Sender's Correspondent (person or entity, other than sending person or entity, acting as reimbursement bank for sender) (if applicable)

1. (a) Bank Identification Code (BIC)

- or -

(b) Full name and full address

PART F — Information on Receiver's Correspondent (person or entity acting as reimbursement bank for receiver) (if applicable)

1.* 1. (a) Bank Identification Code (BIC)

- or -

(b) Full name and full address

PART G — Information on Third Reimbursement Institution (receiver's branch, when the funds are made available to it through a financial institution other than sender's correspondent) (if applicable)

1.* (a) Bank Identification Code (BIC)

- or -

(b) Full name and full address

PART H — Information on Intermediary Institution (financial institution, between receiver and account with institution, through which transaction must pass) (if applicable)

1.* (a) Bank Identification Code (BIC)

- or -

(b) Full name and full address

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PART I — Information on Account with Institution (financial institution when other than the receiver that services account for the beneficiary customer) (if applicable)

1.* (a) Bank Identification Code (BIC)

- or -

(b) Full name and full address

PART J — Information on Person or Entity Receiving Electronic Funds Transfer (person or entity receiving payment instructions)

1. (a) Bank Identification Code (BIC)

- or -

(b) Full name and full address

PART K — Information on Client to Whose Benefit Payment is Made

1. Client's full name
2. Client's full address
3. Client's account number, if applicable

PART L — Additional Payment Information

1. Remittance information
2. Details of charges
3. Sender's charges
4. Sender's reference
5. Bank operation code
6. Instruction code
7. Sender-to-receiver information

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SCHEDULE 4

(Paragraph 50(1)(f) and subsection 52(1))

INFORMATION TO BE PROVIDED BY FINANCIAL ENTITY CHOOSING NOT TO
REPORT LARGE CASH TRANSACTION WITH RESPECT TO A CLIENT'S
BUSINESS

PART A — Information on Financial Entity

- 1.* Identification number of financial entity where client has account
- 2.* Full name of financial entity
- 3.* Full address of financial entity

PART B — Information on Client

- 1.* Name and address of client
- 2.* Nature of client's business
- 3.* Incorporation number of client and date and jurisdiction of its incorporation
- 4.* Total value and total number of client's cash deposits in respect of that business over the preceding 12 months

PART C — Contact Person at Financial Entity

- 1.* Name of contact person
- 2.* Telephone number of contact person

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SCHEDULE 5

(Paragraphs 12(1)(b), ~~24(1)(b) and~~ 28(1)(b) and ~~40(1)(b) and~~ subsections 52(1) ~~and (3)~~)

OUTGOING NON-SWIFT INTERNATIONAL ELECTRONIC FUNDS TRANSFER
REPORT INFORMATION

PART A — Transaction Information

1. Time Sent
- 2.* Date
- 3.* Amount of electronic funds transfer
- 4.* Currency of electronic funds transfer
5. Exchange rate

PART B — Information on Client Ordering Payment of Electronic Funds Transfer

- 1.* Client's full name
2. Client's full address
3. Client's telephone number
4. Client's date of birth
5. Client's occupation
- 6.* Client's account number, if applicable
7. Client's identifier
8. Client's Identifier Number

PART C — Information on Sender of Electronic Funds Transfer (person or entity that sends payment instructions)

- 1.* Full name of sending institution

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2* Full address of sending institution

PART D — Information on Third Party where Client Ordering Electronic Funds Transfer is Acting on Behalf of a Third Party (if applicable)

1. Third party's full name
2. Third party's full address
3. Third party's date of birth
4. Third party's occupation
5. Third party's identifier

PART E — Information on Receiver of Electronic Funds Transfer (person or entity that receives payment instructions)

1. Full name of receiving institution
2. Full address of receiving institution

PART F — Information on Client to Whose Benefit the Payment is Made

- 1.* Client's full name
2. Client's full address
3. Client's telephone number
4. Client's date of birth
5. Client's occupation
- 6.* Client's account number, if applicable
7. Client's identifier

PART G — Information on Third Party where Client to Whose Benefit Payment is Made is Acting on Behalf of a Third Party (if applicable)

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1. Third party's full name
2. Third party's full address
3. Third party's date of birth
4. Third party's occupation
5. Third party's identifier

SCHEDULE 6

(Paragraphs 12(1)(c), ~~24(1)(e) and~~ 28(1)(c) and subsection 52(1))

*INCOMING NON-SWIFT INTERNATIONAL ELECTRONIC FUNDS TRANSFER
REPORT INFORMATION*

PART A — Transaction Information

1. Time sent
- 2.* Date
- 3.* Amount of electronic funds transfer
- 4.* Currency of electronic funds transfer
5. Exchange rate

PART B — Information on Client Ordering Payment of an Electronic Funds Transfer

- 1.* Client's full name
2. Client's full address
3. Client's telephone number
4. Client's date of birth
5. Client's occupation
6. Client's account number, if applicable

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7. Client's identifier

8. Client's Identifier Number

PART C — Information on Sender of Electronic Funds Transfer (person or entity that ends payment instructions)

1.* Full name of sending institution

2.* Full address of sending institution

PART D — Information on Third Party where Client Ordering Electronic Funds Transfers Acting on Behalf of a Third Party (if applicable)

1. Third party's full name

2. Third party's full address

3. Third party's date of birth

4. Third party's occupation

5. Third party's identifier

PART E — Information on Receiver of Electronic Funds Transfer (person or entity that receives payment instructions)

1.* Full name of receiving institution

2.* Full address of receiving institution

PART F — Information on Client to Whose Benefit the Payment is Made

1.* Client's full name

2. Client's full address

3. Client's telephone number

4. Client's date of birth

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5. Client's occupation

6.* Client's account number, if applicable

7. Client's identifier

PART G — Information on Third Party where Client to Whose Benefit Payment is Made Acting on Behalf of a Third Party (if applicable)

1. Third party's full name

2. Third party's full address

3. Third party's date of birth

4. Third party's occupation

5. Third party's identifier

SCHEDULE 7

(Subparagraphs 64(1)(b)(ii) and (1.1)(b)(ii) and (iii))

NON-FACE-TO-FACE IDENTIFICATION METHODS

PART A

IDENTIFICATION METHODS FOR ALL REPORTING ENTITIES

IDENTIFICATION PRODUCT METHOD

1. This method of ascertaining a person's identity consists of referring to an independent and reliable identification product that is based on personal information in respect of the person and a Canadian credit history of the person of at least six month's duration.

CREDIT FILE METHOD

2. This method of ascertaining a person's identity consists of confirming, after obtaining authorization from the person, their name, address and date of birth by referring to a credit file in respect of that person in Canada that has been in existence for at least six months.

ATTESTATION METHOD

3. (1) This method of ascertaining a person's identity consists of obtaining an attestation from a commissioner of oaths in Canada, or a guarantor in Canada, that they have seen one of the documents referred to in paragraph 64(1)(a) of these Regulations. The attestation must be produced on a legible photocopy of the document (if such use of the document is not prohibited by the applicable provincial law) and must include

(a) the name, profession and address of the person providing the attestation;

(b) the signature of the person providing the attestation; and

(c) the type and number of the identifying document provided by the person.

(2) For the purpose of subsection (1), a guarantor is a person engaged in one of the following professions in Canada:

(a) dentist;

(b) medical doctor;

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(c) chiropractor;

(d) judge;

(e) magistrate;

(f) lawyer;

(g) notary (in Quebec);

(h) notary public;

(i) optometrist;

(j) pharmacist;

(k) professional accountant (APA [Accredited Public Accountant], CA [Chartered Accountant], CGA [Certified General Accountant], CMA [Certified Management Accountant], PA [Public Accountant] or RPA [Registered Public Accountant]);

(l) professional engineer (P.Eng. [Professional Engineer, in a province other than Quebec] or Eng. [Engineer, in Quebec]); or

(m) veterinarian.

CLEARED CHEQUE METHOD

4. This method of ascertaining a person's identity consists of confirming that a cheque drawn by the person on a deposit account of a financial entity, other than an account referred to in section 62 of these Regulations, has been cleared.

CONFIRMATION OF DEPOSIT ACCOUNT METHOD

5. This method of ascertaining a person's identity consists of confirming that the person has a deposit account with a financial entity, other than an account referred to in section 62 of these Regulations.

PART B

IDENTIFICATION METHODS FOR CREDIT CARD ACCOUNTS

IDENTIFICATION PRODUCT METHOD

1. This method of ascertaining a person's identity consists of referring to an independent and reliable identification product that is based on personal information in respect of the person and a Canadian credit history of the person of at least six month's duration.

CREDIT FILE METHOD

2. This method of ascertaining a person's identity consists of confirming, after obtaining authorization from the person, their name, address and date of birth by referring to a credit file in respect of that person in Canada that has been in existence for at least six months.

INDEPENDENT DATA SOURCE METHOD

3. This method of ascertaining a person's identity consists of consulting a reputable and independent database that is compiled from a directory of a telecommunications entity or a federal, provincial or municipal voter's registry and that contains the names, addresses and telephone numbers of individuals in order to confirm the person's name, address and telephone number.

PART C

IDENTIFICATION METHODS FOR CREDIT CARD ACCOUNT APPLICANTS
WITH NO CREDIT HISTORY IN CANADA

INDEPENDENT DATA SOURCE METHOD

1. This method of ascertaining a person's identity consists of consulting a reputable and independent database that is compiled from a directory of a telecommunications entity or a federal, provincial or municipal voter's registry and that contains the names, addresses and telephone numbers of individuals in order to confirm the person's name, address and telephone number.

UTILITY INVOICE METHOD

2. This method of ascertaining a person's identity consists of obtaining a utility service invoice that is issued by a Canadian utility provider in the name of the person and that includes their address.

PHOTOCOPY OF AN IDENTIFICATION DOCUMENT METHOD

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3. This method of ascertaining a person's identity consists of obtaining a legible photocopy or electronic image of a document referred to in paragraph 64(1)(a) of these Regulations in respect of the person.

DEPOSIT ACCOUNT STATEMENT METHOD

4. This method of ascertaining a person's identity consists of obtaining a legible photocopy or electronic image of a deposit account statement issued by a financial entity in the name of the person.

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INTERPRETATION

1. (1) The following definitions apply in the Act and in these Regulations.

"casino" means a person or entity that is licensed, registered, permitted or otherwise authorized to do business under any of paragraphs 207(1)(a) to (g) of the *Criminal Code* and that conducts its business activities in a permanent establishment

(a) that the person or entity holds out to be a casino and in which roulette or card games are carried on; or

(b) where there is a slot machine, which, for the purposes of this definition, does not include a video lottery terminal.

It does not include a person or entity that is a registered charity as defined in subsection 248(1) of the *Income Tax Act* and is licensed, registered, permitted or otherwise authorized to carry on business temporarily for charitable purposes, if the business is carried out in the establishment of the casino for not more than two consecutive days at a time under the supervision of the casino.

"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.

(2) The following definitions apply in these Regulations.

"accountant" means a chartered accountant, a certified general accountant or a certified management accountant.

"accounting firm" means an entity that is engaged in the business of providing accounting services to the public and has at least one partner, employee or administrator that is an accountant.

"Act" means the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*.

"annuity" has the same meaning as in subsection 248(1) of the *Income Tax Act*.

"cash" means coins referred to in section 7 of the *Currency Act*, notes issued by the Bank of Canada pursuant to the *Bank of Canada Act* that are intended for circulation in Canada or coins or bank notes of countries other than Canada.

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"CICA Handbook" means the handbook prepared and published by the Canadian Institute of Chartered Accountants, as amended from time to time.

"client credit file" means a record that relates to a credit arrangement with a client and includes the name, address and financial capacity of the client, the terms of the credit arrangement, the nature of the principal business or occupation of the client, the name of the business, if any, and the address of the client's business or place of work.

"client information record" means a record that sets out a client's name, address and date of birth and the nature of the client's principal business or occupation.

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

"deferred profit sharing plan" has the same meaning as in subsection 248(1) of the *Income Tax Act*.

"deposit slip" means a record that sets out the date of a deposit, the holder of the account in whose name the deposit is made, the number of the account, the amount of the deposit and any part of the deposit that is made in cash.

"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.

"employees profit sharing plan" has the same meaning as in subsection 248(1) of the *Income Tax Act*.

"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.

"funds" means cash, currency or securities, or negotiable instruments or other financial instruments, in any form, that indicate a person's or an entity's title or interest in them.

"*inter vivos* trust" means a personal trust, other than a trust created by will.

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"large cash transaction record" means a record that indicates the receipt of an amount of \$10,000 or more in cash in the course of a single transaction and that contains the following information:

(a) as the case may be

(i) if the amount is received for deposit by a financial entity, the name of each person or entity in whose account the amount is deposited, or

(ii) in any other case, the name of the person from whom the amount is in fact received, their address and date of birth and the nature of their principal business or occupation, if the information is not readily obtainable from other records that the recipient keeps and retains under these Regulations;

(b) the date of the transaction;

(c) where the transaction is a deposit that is made during normal business hours of the recipient, the time of the deposit or, where the transaction is a deposit that is made by means of a night deposit before or after those hours, an indication that the deposit was a night deposit;

(d) the number of any account that is affected by the transaction, and the type of that account, the full name of any person or entity that holds the account and the currency in which account transactions are conducted;

(e) the purpose and details of the transaction, including other persons or entities involved and the type of transaction (such as cash, electronic funds transfer, deposit, currency exchange or the purchase or cashing of a cheque, money order, traveller's cheque or banker's draft);

(f) whether the cash is received by armoured car, in person, by mail or in any other way; and

(g) the amount and currency of the cash received.

"life insurance broker or agent" means a person or entity that is registered or licensed under provincial legislation to carry on the business of arranging contracts of life insurance.

"life insurance company" means a life company or foreign life company to which the *Insurance Companies Act* applies or a life insurance company regulated by a provincial Act.

"money services business" means a person or entity referred to in paragraph 5(h) of the Act.

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"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.

"public body" means

- (a) any department or agent of Her Majesty in right of Canada or of a province;
- (b) an incorporated city, town, village, metropolitan authority, township, district, county, rural municipality or other incorporated municipal body or an agent of any of them; and
- (c) an organization that operates a public hospital and that is designated by the Minister of National Revenue as a hospital authority under the *Excise Tax Act*, or any agent of such an organization.

"real estate broker or sales representative" means a person or entity that is registered or licensed under provincial legislation in respect of the sale or purchase of real estate.

"receipt of funds record" means, in respect of a transaction in which an amount of funds is received, a record that contains the following information:

- (a) if the information is not readily obtainable from other records that the recipient keeps and retains under these Regulations, the name of the person or entity from whom the amount is in fact received and
 - (i) where the amount is received from a person, their address and date of birth and the nature of their principal business or their occupation, and
 - (ii) where the amount is received from an entity, their address and the nature of their principal business;
- (b) the date of the transaction;
- (c) the number of any account that is affected by the transaction, and the type of that account, the full name of the person or entity that is the account holder and the currency in which the transaction is conducted;
- (d) the purpose and details of the transaction, including other persons or entities involved and the type and form of the transaction;

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(e) if the funds are received in cash, whether the cash is received by armoured car, in person, by mail or in any other way; and

(f) the amount and currency of the funds received.

"registered pension plan" has the same meaning as in subsection 248(1) of the *Income Tax Act*.

"registered retirement income fund" has the same meaning as in subsection 248(1) of the *Income Tax Act*.

"securities dealer" means a person or entity that is authorized under provincial legislation to engage in the business of dealing in securities or any other financial instruments or to provide portfolio management or investment advising services.

"senior officer" , in respect of an entity, means, if applicable,

(a) a director of the entity who is one of its full-time employees;

(b) the entity's chief executive officer, chief operating officer, president, secretary, treasurer, controller, chief financial officer, chief accountant, chief auditor or chief actuary, or any person who performs any of those functions; or

(c) any other officer who reports directly to the entity's board of directors, chief executive officer or chief operating officer.

"signature" includes an electronic signature.

"signature card" , in respect of an account, means any record that is signed by a person who is authorized to give instructions in respect of the account.

"SWIFT" means the Society for Worldwide Interbank Financial Telecommunication.

"transaction ticket" means a record respecting a foreign currency exchange transaction — which may take the form of an entry in a transaction register — that sets out

(a) the date, amount and currency of the purchase or sale;

(b) the method, amount and currency of the payment made or received; and

(c) in the case of a transaction of \$3,000 or more that is carried out by a person, the name and address of that person.

"trust company" means a trust company to which the *Trust and Loan Companies Act* applies or a trust company regulated by a provincial Act.

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1.1 For the purpose of the definition "politically exposed foreign person" in subsection 9.3(3) of the Act, the prescribed family members of a politically exposed foreign person are

- (a) the person's spouse or common-law partner;
- (b) a child of the person;
- (c) the person's mother or father;
- (d) the mother or father of the person's spouse or common-law partner; and
- (e) a child of the person's mother or father.

NON-APPLICATION OF CERTAIN PROVISIONS

1.2 Sections 11.1, 12, 13, 14, 14.1, 15.1, 53.1, 54, 54.1 and 54.2 do not apply in respect of the credit card acquiring activities of a financial entity.

GENERAL

FOREIGN CURRENCY

2. Where a transaction is carried out by a person or entity in a foreign currency, the amount of the transaction shall, for the purposes of these Regulations, be converted into Canadian dollars based on

- (a) the official conversion rate of the Bank of Canada for that currency as published in the Bank of Canada's *Daily Memorandum of Exchange Rates* that is in effect at the time of the transaction; or
- (b) if no official conversion rate is set out in that publication for that currency, the conversion rate that the person or entity would use for that currency in the normal course of business at the time of the transaction.

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) [amended to 62(2)(m) effective June 23, 2008]; 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.

SENDING REPORTS

4. (1) A report that is required to be made to the Centre shall be sent electronically in accordance with guidelines for report submissions that are prepared by the Centre, if the sender has the technical capabilities to do so.

(2) The report shall be sent in paper format, in accordance with guidelines for report submissions that are prepared by the Centre, if the sender does not have the technical capabilities to send the report electronically.

REPORTING TIME LIMITS

5. (1) A report that is required to be made under these Regulations in respect of an electronic funds transfer shall be sent to the Centre not later than five working days after the day of the transfer.

(2) A report in respect of a transaction for which a large cash transaction record must be kept and retained under these Regulations shall be sent to the Centre

(a) within 30 days after the transaction, where the transaction occurs on the day on which this section comes into force or within 12 months after that day; or

(b) in any other case, within 15 days after the transaction.

TRANSACTIONS CONDUCTED BY EMPLOYEES OR AGENTS

6. (1) Where a person who is subject to the requirements of these Regulations is an employee of a person or entity referred to in any of paragraphs 5(a) to (l) of the Act, it is the employer rather than the employee who is responsible for meeting those requirements.

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(2) Where a person or entity who is subject to the requirements of these Regulations, other than a life insurance broker or agent, is an agent of or is authorized to act on behalf of another person or entity referred to in any of paragraphs 5(a) to (l) of the Act, it is that other person or entity rather than the agent or the authorized person or entity, as the case may be, that is responsible for meeting those requirements.

7. For the purposes of these Regulations, a person acting on behalf of their employer is considered to be acting on behalf of a third party except when the person is depositing cash into the employer's business account.

THIRD PARTY DETERMINATION

8. (1) Every person or entity that is required to keep a large cash transaction record under these Regulations shall take reasonable measures to determine whether the individual who in fact gives the cash in respect of which the record is kept is acting on behalf of a third party.

(2) Where the person or entity determines that the individual is acting on behalf of a third party, the person or entity shall keep a record that sets out

(a) the third party's name, address and date of birth and the nature of the principal business or occupation of the third party, if the third party is an individual;

(b) if the third party is an entity, the third party's name and address and the nature of the principal business of the third party, and, if the entity is a corporation, the entity's incorporation number and its place of issue; and

(c) the nature of the relationship between the third party and the individual who gives the cash.

(3) Where the person or entity is not able to determine whether the individual is acting on behalf of a third party but there are reasonable grounds to suspect that the individual is doing so, the person or entity shall keep a record that

(a) indicates whether, according to the individual, the transaction is being conducted on behalf of a third party; and

(b) describes the reasonable grounds to suspect that the individual is acting on behalf of a third party.

9. (1) Subject to subsections (4) and 4.1, every person or entity that is required to keep a signature card or an account operating agreement in respect of an account under these Regulations shall, at the time that the account is opened, take reasonable measures to determine whether the account is to be used by or on behalf of a third party.

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(2) Subject to subsections (5) and (6), where the person or entity determines that the account is to be used by or on behalf of a third party, the person or entity shall keep a record that sets out

(a) the third party's name, address and date of birth and the nature of the principal business or occupation of the third party, if the third party is an individual;

(b) if the third party is an entity, the third party's name and address and the nature of the principal business of the third party, and, if the entity is a corporation, the entity's incorporation number and its place of issue; and

(c) the nature of the relationship between the third party and the account holder.

(3) Where the person or entity is not able to determine if the account is to be used by or on behalf of a third party but there are reasonable grounds to suspect that it will be so used, the person or entity shall keep a record that

(a) indicates whether, according to the individual who is authorized to act in respect of the account, the account is to be used by or on behalf of a third party; and

(b) describes the reasonable grounds to suspect that the individual is acting on behalf of a third party.

(4) Subsection (1) does not apply in respect of an account where the account holder is a financial entity or a securities dealer that is engaged in the business of dealing in securities in Canada.

(4.1) Subsection (1) does not apply in respect of an account that is opened by a financial entity for use in relation to a credit card acquiring business.

(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 and where

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

(b) the account is in a country that is not a member of the Task Force referred to in paragraph (a) but has implemented the recommendations of the Task Force relating to customer identification and, at the time that the account is opened, the securities dealer has obtained written assurance from the entity where the account is located that the country has implemented those recommendations; or

(c) the account is in a country that is not a member of the Task Force referred to in paragraph (a) and has not implemented the recommendations of the Task Force relating to customer identification but, at the time that the account is opened, the

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securities dealer has ascertained the identity of all third parties relating to the account as described in paragraph 64(1).

(6) Subsection (2) does not apply where

(a) the account is opened by a legal counsel, an accountant or a real estate broker or sales representative; and

(b) the person or entity has reasonable grounds to believe that the account is to be used only for clients of the legal counsel, accountant or real estate broker or sales representative, as the case may be.

10. (1) Every person or entity that is required to keep a client information record under these Regulations in respect of a client shall, at the time that the client information record is created, take reasonable measures to determine whether the client is acting on behalf of a third party.

(2) Where the person or entity determines that the client is acting on behalf of a third party, the person or entity shall keep a record that sets out

(a) the third party's name, address and date of birth and the nature of the principal business or occupation of the third party, if the third party is an individual;

(b) if the third party is a entity, the third party's name and address and the nature of the principal business of the third party, and, if the entity is a corporation, the entity's incorporation number and its place of issue; and

(c) the relationship between the third party and the client.

(3) Where the person or entity is not able to determine that the client in respect of whom the client information record is kept is acting on behalf of a third party but there are reasonable grounds to suspect that the client is so acting, the person or entity shall keep a record that

(a) indicates whether, according to the client, the transaction is being conducted on behalf of a third party; and

(b) describes the reasonable grounds to suspect that the client is acting on behalf of a third party.

INFORMATION ON BENEFICIARIES

11. A trust company that is required to keep a record in respect of an *inter vivos* trust in accordance with these Regulations shall keep a record that sets out the name, address and date of birth and the nature of the principal business and occupation, of each of the

beneficiaries that are known at the time that the trust company becomes a trustee for the trust.

INFORMATION ON DIRECTORS OR PARTNERS OF ON PERSONS WHO OWN OR CONTROL 25%
OR MORE OF A CORPORATION OR OTHER ENTITY

11.1 (1) Every financial entity or securities dealer that is required to confirm the existence of an entity in accordance with these Regulations when it opens an account in respect of that entity, every life insurance company or life insurance broker or agent that is required to confirm the existence of an entity in accordance with these Regulations and every money services business that is required to confirm the existence of an entity in accordance with these Regulations when it enters into an ongoing electronic funds transfer, fund remittance or foreign exchange service agreement with that entity, or a service agreement for the issuance or redemption of money orders, traveller's cheques or other similar negotiable instruments, shall, at the time the existence of the entity is confirmed, take reasonable measures to obtain and, if obtained, keep a record of

(a) where the confirmation is in respect of a corporation, the name and occupation of all directors of the corporation and the name, address and occupation of all persons who own or control, directly or indirectly, 25 per cent or more of the shares of the corporation; and

(b) where the confirmation is in respect of an entity other than a corporation, the name, address and occupation of all persons who own or control, directly or indirectly, 25 per cent or more of the entity.

(2) Where the person or entity is not able to obtain the information referred to in subsection (1), the person or entity shall keep a record that indicates the reason why the information could not be obtained.

(3) Where the entity the existence of which is being confirmed by a person or entity under subsection (1) is a not-for-profit organization, the person or entity shall determine, and keep a record that sets out, whether that entity is

(a) a charity registered with the Canada Revenue Agency under the *Income Tax Act*;
or

(b) an organization, other than one referred to in paragraph (a), that solicits charitable financial donations from the public.

REPORTING OF FINANCIAL TRANSACTIONS AND RECORD-KEEPING

FINANCIAL ENTITIES

12. (1) Subject to section 50 and subsection 52(1), every financial entity shall report the following transactions and information to the Centre:

(a) the receipt from a client of an amount in cash of \$10,000 or more in the course of a single transaction, together with the information referred to in Schedule 1, unless the cash is received from another financial entity or a public body;

(b) the sending out of Canada, at the request of a client, of an electronic funds transfer of \$10,000 or more in the course of a single transaction, together with the information referred to in Schedule 2 or 5, as the case may be; and

(c) the receipt from outside Canada of an electronic funds transfer, sent at the request of a client, of \$10,000 or more in the course of a single transaction, together with the information referred to in Schedule 3 or 6, as the case may be.

(2) For greater certainty, paragraph (1)(b) does not apply when the financial entity sends an electronic funds transfer to a person or entity in Canada, even if the final recipient is outside Canada.

(3) Paragraph (1)(b) applies in respect of a financial entity that orders a person or entity to which subsection (1), 28(1) or 40(1) applies to send an electronic funds transfer out of Canada, at the request of a client, unless it provides that person or entity with the name and address of that client.

(4) Subject to subsection (5), for greater certainty, paragraph (1)(c) does not apply when the financial entity receives an electronic funds transfer from a person or entity in Canada, even if the initial sender is outside Canada.

(5) Paragraph (1)(c) applies in respect of a financial entity that receives an electronic funds transfer for a beneficiary in Canada from a person or entity to which subsection (1), 28(1) or 40(1) applies where the initial sender is outside Canada, unless the electronic funds transfer contains the name and address of that beneficiary.

13. Subject to subsection 52(2), every financial entity shall keep a large cash transaction record in respect of every amount in cash of \$10,000 or more that is received from a client in the course of a single transaction, unless the cash is received from another financial entity or a public body.

14. Subject to subsection 62(2), every financial entity shall keep the following records in respect of an account other than a credit card account:

(a) where it opens an account, a signature card in respect of each account holder for that account;

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(b) where it opens an account in respect of a corporation, a copy of the part of official corporate records that contains any provision relating to the power to bind the corporation in respect of the account;

(c) where it opens an account in the name of a client that is a person or an entity other than a corporation, a record of the name and address of the client and:

(i) if the client is a person, their date of birth and the nature of their principal business or their occupation, as applicable, and

(ii) if the client is an entity other than a corporation, the nature of their principal business;

(c.1) in respect of every account that it opens, a record that sets out the intended use of the account;

(d) every account operating agreement that it creates in the normal course of business;

(e) a deposit slip in respect of every deposit that is made to an account;

(f) every debit and credit memo that it creates or receives in the normal course of business in respect of an account, except debit memos that relate to another account at the same branch of the financial entity that created the debit memo;

(g) a copy of every account statement that it sends to a client, if the information in the statement is not readily obtainable from other records that are kept and retained by it under these Regulations;

(h) every cleared cheque that is drawn on, and a copy of every cleared cheque that is deposited to, an account, unless

(i) the account on which the cheque is drawn and the account to which the cheque is deposited are at the same branch of the financial entity, or

(ii) the following conditions are met, namely,

(A) an image of the cheque has been recorded on microfilm or on an electronic medium,

(B) an image of the cheque can be readily reproduced from the microfilm or electronic medium,

(C) it is possible to readily ascertain where the image of any particular cheque is recorded, and

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(D) the microfilm or electronic medium is retained for a period of at least five years;

(i) every client credit file that it creates in the normal course of business;

(j) a transaction ticket in respect of every foreign currency exchange transaction

(k) where it receives an amount of \$3,000 or more from a person or from an entity other than a financial entity in consideration of the issuance of traveller's cheques, money orders or similar negotiable instruments, a record of the amount received, the date it was received, the name and address of the person who in fact gave the amount and whether the amount received was in cash, cheques, traveller's cheques, money orders or other similar negotiable instruments;

(l) where, in a single transaction, it redeems one money order of \$3,000 or more, or two or more money orders that, taken together, add up to a total of \$3,000 or more, a record of the total amount of the money order or orders, the date on which the money order or orders were redeemed, the name and address of the person who made the request for the money order or orders to be redeemed and the name of the issuer of each money order;

(m) where, at the request of a client, it sends an electronic funds transfer, as prescribed by subsection 66.1(2), in an amount of \$1,000 or more, a record of

(i) the name, address and telephone number of the client initiating the transaction and the nature of their principal business or their occupation,

(ii) if the client initiating the transaction is a person, their date of birth,

(iii) the relevant account number, if any, and the reference number, if any, of the transaction and the date of the transaction,

(iv) the name or account number of the person or entity to whom the electronic funds transfer is sent, and

(v) the amount and currency of the transaction;

(n) where it has obtained approval under paragraph 67.1(b) to keep the account of a person that has been determined to be a politically exposed foreign person open, a record of

(i) the office or position in respect of which the person was determined to be a politically exposed foreign person,

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- (ii) the source, if known, of the funds that are or are expected to be deposited in the account,
 - (iii) the date of the determination that the person was a politically exposed foreign person,
 - (iv) the name of the member of senior management who gave the approval to keep the account open, and
 - (v) the date of that approval; and
- (o) where a transaction has been reviewed under subsection 67.2(2), a record of
- (i) the office or position in respect of which the person initiating the transaction or the beneficiary of the transaction was determined to be a politically exposed foreign person,
 - (ii) the source, if known, of the funds that have been used for the transaction,
 - (iii) the date of the determination that the person referred to in subparagraph (i) was a politically exposed foreign person,
 - (iv) the name of the member of senior management who reviewed the transaction, and
 - (v) the date of that review.

14.1 Subject to subsection 62(2), every financial entity shall, in respect of every credit card account that it opens, keep a credit card account record that includes

- (a) where the account is opened in the name of a client that is a person or an entity other than a corporation, the name and address of the client and
 - (i) if the client is a person, their date of birth and the nature of their principal business or their occupation, as applicable, and
 - (ii) if the client is an entity other than a corporation, the nature of their principal business;
- (b) where the account is opened in the name of a client that is a corporation, a copy of the part of official corporate records that contains any provision relating to the power to bind the corporation in respect of the account;
- (c) the name, address and telephone number of every holder of a credit card for the account;

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(d) the date of birth of every holder of a credit card for the account, if that information is known after reasonable measures have been taken by the financial entity to obtain it;

(e) every credit card application that the financial entity receives from the client in the normal course of business;

(f) a copy of every credit card statement that the financial entity sends to the client, if the information in the statement is not readily obtainable from other records that are kept and retained by it under these Regulations; and

(g) where the financial entity has obtained approval under paragraph 67.1(b) to keep the account of a person that has been determined to be a politically exposed foreign person open

(i) the office or position in respect of which the person was determined to be a politically exposed foreign person,

(ii) the source, if known, of the funds that are or are expected to be deposited in the account,

(iii) the date of the determination that the person was a politically exposed foreign person,

(iv) the name of the member of senior management who gave the approval to keep the account open, and

(v) the date of that approval.

15. (1) Every trust company shall, in addition to the records referred to in sections 13 and 14, keep the following records in respect of a trust for which it is trustee:

(a) a copy of the trust deed;

(b) a record of the settlor's name, address and date of birth and the nature of the principal business or occupation of the settlor; and

(c) where the trust is an institutional trust and the settlor is a corporation, a copy of the part of official corporate records that contains any provision relating to the power to bind the settlor in respect of the trust.

(2) In this section, "institutional trust" means a trust that is established by a corporation, partnership or other entity for a particular business purpose and includes pension plan trusts, pension master trusts, supplemental pension plan trusts, mutual fund trusts, pooled fund trusts, registered retirement savings plan trusts, registered retirement income fund

trusts, registered education savings plan trusts, group registered retirement savings plan trusts, deferred profit sharing plan trusts, employee profit sharing plan trusts, retirement compensation arrangement trusts, employee savings plan trusts, health and welfare trusts, unemployment benefit plan trusts, foreign insurance company trusts, foreign reinsurance trusts, reinsurance trusts, real estate investment trusts, environmental trusts and trusts established in respect of endowments, foundations and registered charities.

15.1 (1) For the purposes of subsections 9.4(1) and (3) of the Act, the prescribed foreign entity is a foreign financial institution.

(2) Every financial entity shall, when it enters into a correspondent banking relationship, keep a record in respect of the foreign financial institution containing the following information and documents:

- (a) the name and address of the foreign financial institution;
- (b) the names of the directors of the foreign financial institution;
- (c) the primary business line of the foreign financial institution;
- (d) a copy of the most recent annual report or audited financial statement of the foreign financial institution;
- (e) a copy of the foreign financial institution's banking licence, banking charter, authorization or certification to operate from the relevant regulatory agency or certificate of corporate status or a copy of another similar document;
- (f) a copy of the correspondent banking agreement or arrangement, or product agreements, defining the respective responsibilities of each entity;
- (g) the anticipated correspondent banking account activity of the foreign financial institution, including the products or services to be used;
- (h) a statement from the foreign financial institution that it does not have, directly or indirectly, correspondent banking relationships with shell banks; and
- (i) a statement from the foreign financial institution that it is in compliance with anti-money laundering and anti-terrorist financing legislation in its own jurisdiction.

(3) The financial entity shall take reasonable measures to ascertain whether the foreign financial institution has in place anti-money laundering and anti-terrorist financing policies and procedures, including procedures for approval for the opening of new accounts and, if not, shall, for the purpose of detecting any transactions that are required to be reported to the Centre under section 7 of the Act, take reasonable measures to

conduct ongoing monitoring of all transactions conducted in the context of the correspondent banking relationship.

(4) For greater certainty, section 14 does not apply in respect of an account opened for a foreign financial institution in the context of a correspondent banking relationship.

LIFE INSURANCE COMPANIES AND LIFE INSURANCE BROKERS OR AGENTS

16. Part 1 of the Act applies to life insurance brokers or agents.

17. Subject to section 20.2 and subsection 52(1), every life insurance company or life insurance broker or agent who receives from a client an amount in cash of \$10,000 or more in the course of a single transaction shall report the transaction to the Centre, together with the information referred to in Schedule 1, except

(a) if the amount is received from a financial entity or a public body; or

(b) in respect of transactions referred to in subsection 62(2).

18. Subject to subsection 20.2 and 52(2), every life insurance company or life insurance broker or agent shall keep a large cash transaction record in respect of every amount in cash of \$10,000 or more that is received from a client in the course of a single transaction, unless

(a) the cash is received from a financial entity or a public body; or

(b) the transaction is a transaction referred to in subsection 62(2).

19. (1) Subject to section 20.2 and subsection 62.2, every life insurance company or life insurance broker or agent shall keep a client information record for every purchase from the company, broker or agent of an immediate or deferred annuity or of a life insurance policy for which the client may pay \$10,000 or more over the duration of the annuity or policy, irrespective of the means of payment.

(2) Subject to section 20.2 and subsection 62(2), in the case of a life insurance policy that is a group life insurance policy or in the case of a group annuity, the client information record shall be kept in respect of the applicant for the policy or annuity.

20. Subject to section 20.2, every life insurance company or life insurance broker or agent who keeps a client information record in respect of a corporation in accordance with subsection 19(1) shall also keep a copy of the part of official corporate records that contains any provision relating to the power to bind the corporation in respect of the transactions with the life insurance company or life insurance broker or agent, if the copy of that part is obtained in the normal course of business.

20.1 Subject to section 20.2, every life insurance company or life insurance broker or agent shall keep a record of the following information when a transaction is reviewed under subsection 67.2(2):

- (a) the office or position in respect of which the person initiating the transaction is determined to be a politically exposed foreign person;
- (b) the source, if known, of the funds that are used for the transaction;
- (c) the date of the determination that the person is a politically exposed foreign person;
- (d) the name of the member of senior management who reviewed the transaction; and
- (e) the date the transaction was reviewed.

20.2 Sections 17 to 20.1 do not apply to a life insurance company or a life insurance broker or agent when they are dealing in reinsurance.

SECURITIES DEALERS

21. Subject to subsection 52(1), every securities dealer who receives from a client an amount in cash of \$10,000 or more in the course of a single transaction shall report the transaction to the Centre, together with the information set out in Schedule 1, unless the amount is received from a financial entity or a public body.

22. Subject to subsection 52(2), every securities dealer shall keep a large cash transaction record in respect of every amount in cash of \$10,000 or more that is received from a client in the course of a single transaction, unless the cash is received from a financial entity or a public body.

23. (1) Subject to subsection 62(2), every securities dealer shall keep the following records:

(a) in respect of every account that the securities dealer opens, a signature card, an account operating agreement or an account application that

(i) bears the signature of the person who is authorized to give instructions in respect of the account

(a.1) in respect of every account that the securities dealer opens, a record that sets out the intended use of the account;

(b) where the securities dealer opens an account in respect of a corporation, a copy of the part of official corporate records that contains any provision relating to the power to bind the corporation in respect of that account;

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(c) where the securities dealer opens an account in the name of a person or of an entity other than a corporation, a record of the name, address and date of birth the nature of the principal business or occupation of the person or entity, as the case may be;

(d) every new account application, confirmation of purchase or sale, guarantee, trade authorization, power of attorney and joint account agreement, and all correspondence that pertains to the operation of accounts, that the securities dealer creates in the normal course of business;

(e) a copy of every statement that the securities dealer sends to a client, if the information in the statement is not readily obtainable from other records that the securities dealer keeps and retains under these Regulations, and

(f) where it has obtained approval under paragraph 67.1(b) to keep the account of a person that has been determined to be a politically exposed foreign person open

(i) the office or position in respect of which the person was determined to be a politically exposed foreign person,

(ii) the source, if known, of the funds that are or are expected to be deposited in the account,

(iii) the date of the determination that the person was a politically exposed foreign person,

(iv) the name of the member of senior management who gave the approval to keep the account open, and

(v) the date of that approval.

28. (1) Subject to subsection 52(1), every money services business shall report the following transactions and information to the Centre:

(a) the receipt from a client of an amount in cash of \$10,000 or more in the course of a single transaction, together with the information referred to in Schedule 1, unless the cash is received from a financial entity or a public body;

(b) the sending out of Canada, at the request of a client, of an electronic funds transfer of \$10,000 or more in the course of a single transaction, together with the information referred to in Schedule 2 or 5, as the case may be; and

(c) the receipt from outside Canada of an electronic funds transfer, sent at the request of a client, of \$10,000 or more in the course of a single transaction, together with the information referred to in Schedule 3 or 6, as the case may be.

(2) For greater certainty, paragraph (1)(b) does not apply when the money services business sends an electronic funds transfer to a person or an entity in Canada, even if the final recipient is outside Canada.

(3) Paragraph (1)(b) applies in respect of a money services business that orders a person or entity to which subsection (1), 12(1) or 40(1) applies, to send out of Canada an electronic funds transfer made at the request of a client, unless it provides that person or entity with the name and address of that client.

(4) Subject to subsection (5), for greater certainty, paragraph (1)(c) does not apply when the money services business receives an electronic funds transfer from a person or an entity in Canada, even if the initial sender is outside Canada.

(5) Paragraph (1)(c) applies in respect of a money services business that receives an electronic funds transfer for a beneficiary in Canada from a person or entity to which subsection (1), 12(1) or 40(1) applies where the initial sender is outside Canada, unless the electronic funds transfer contains the name and address of that beneficiary.

29. Subject to subsection 52(2), every money services business shall keep a large cash transaction record in respect of every amount in cash of \$10,000 or more that is received from a client in the course of a single transaction, unless the cash is received from a financial entity or a public body.

30. Every money services business shall keep the following records in respect of any of the activities referred to in paragraph 5(h) of the Act:

(a) every client credit file that it creates in the normal course of business;

(a.1) every internal memorandum that it receives or creates in the normal course of business and that concerns services provided to its clients; (b) where a client information record is in respect of a client that is a corporation, a copy of the part of official corporate records that contains any provision relating to the power to bind the corporation in respect of transactions with the money services business, if the copy of that part is obtained in the normal course of business;

(c) where it receives an amount of \$3,000 or more from a person or from an entity other than a financial entity in consideration of the issuance of traveller's cheques, money orders or other similar negotiable instruments, a record of the amount received, the date it was received, the name, address and date of birth of the person who in fact gave the amount and whether the amount received was in cash, cheques, traveller's cheques, money orders or other similar negotiable instruments;

(d) where money orders of \$3,000 or more are cashed, a record of the name, address and date of birth of the person cashing the money orders and the name of the issuer of the money orders;

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- (e) where \$1,000 or more is remitted or transmitted, a record of
 - (i) the name, address and telephone number of the client who initiated the transaction and the nature of their principal business or occupation,
 - (ii) if the client initiating the transaction is a person, their date of birth,
 - (iii) the reference number and date of the transaction,
 - (iv) the name of the person or entity to whom the amount is remitted or transmitted, and
 - (v) the amount and currency of the transaction; and
- (f) a transaction ticket in respect of every foreign currency exchange transaction.

31. Every money services business shall keep a record of the following information when a transaction is reviewed under subsection 67.2(2):

- (a) the office or position in respect of which the person initiating the transaction or the beneficiary of the transaction is determined to be a politically exposed foreign person;
- (b) the source, if known, of the funds that have been used for the transaction;
- (c) the date of the determination that the person referred to in paragraph (a) is a politically exposed foreign person;
- (d) the name of the member of senior management who reviewed the transaction; and
- (e) the date the transaction was reviewed.

32. Every money services business that enters into an ongoing electronic funds transfer, funds remittance or foreign exchange service agreement with an entity, or a service agreement for the issuance or redemption of money orders, traveller's cheques or other negotiable instruments, shall keep a record of the name, address, date of birth and occupation of every person who has signed the agreement on behalf of the entity, a client information record with respect to the entity and a list containing the name, address and date of birth of every employee authorized to order transactions under the agreement.

33. [Repealed]

34. (1) Subject to subsections (2) and (3), every accountant and every accounting firm is subject to Part 1 of the Act when they

(a) engage in any of the following activities on behalf of any person or entity, namely,

(i) receiving or paying funds,

(ii) purchasing or selling securities, real properties or business assets or entities, or

(iii) transferring funds or securities by any means; or

(b) give instructions on behalf of any person or entity in respect of any activity referred to in paragraph (a).

(2) Subsection (1) does not apply in respect of an accountant when they engage in any of the activities referred to in paragraph (1)(a) or (b) on behalf of their employer.

(3) For greater certainty, subsection (1) does not apply in respect of audit, review or compilation engagements, carried out in accordance with the recommendations set out in the CICA Handbook.

35. Subject to subsection 52(1), every accountant and every accounting firm that, while engaging in an activity described in section 34, receives an amount in cash of \$10,000 or more in the course of a single transaction shall report the transaction to the Centre, together with the information set out in Schedule 1, unless the cash is received from a financial entity or a public body.

36. (1) Every accountant and every accounting firm shall, when engaging in an activity described in section 34, keep the following records:

(a) a receipt of funds record in respect of every amount of \$3,000 or more that they receive in the course of a single transaction, unless the amount is received from a financial entity or a public body; and

(b) where the receipt of funds record is in respect of a client that is a corporation, a copy of the part of official corporate records that contains any provision relating to the power to bind the corporation in respect of transactions with the accountant or accounting firm.

(2) Subject to subsection 52(2), every accountant and every accounting firm shall, when engaging in an activity described in section 34, keep a large cash transaction record in respect of every amount in cash of \$10,000 or more that they receive in the course of a single transaction, unless the cash is received from a financial entity or a public body.

(3) Subsection (1) does not apply in respect of a transaction if a large cash transaction record is also required by subsection (2) to be kept in respect of that same transaction.

REAL ESTATE BROKERS OR SALES REPRESENTATIVES

- 37.** Every real estate broker or sales representative is subject to Part 1 of the Act when they act as an agent in respect of the purchase or sale of real estate.
- 38.** Subject to subsection 52(1), every real estate broker or sales representative who, while engaging in an activity described in section 37, receives an amount in cash of \$10,000 or more in the course of a single transaction shall report the transaction to the Centre, together with the information set out in Schedule 1, unless the amount is received from a financial entity or a public body.
- 39.** (1) Subject to subsections (3) and 52(2), every real estate broker or sales representative shall, when engaging in an activity described in section 37, keep the following records:
- (a) a receipt of funds record in respect of every amount that they receive in the course of a single transaction, unless the amount is received from a financial entity or a public body;
 - (b) a client information record in respect of every purchase or sale of real estate; and
 - (c) where the receipt of funds record or the client information record is in respect of a corporation, a copy of the part of official corporate records that contains any provision relating to the power to bind the corporation in respect of transactions with the real estate broker or sales representative.
- (2) Subject to subsection 52(2), every real estate broker or sales representative shall, when engaging in an activity described in section 37, keep a large cash transaction record in respect of every amount in cash of \$10,000 or more that they receive in the course of a single transaction, unless the cash is received from a financial entity or a public body.
- (3) Paragraphs (1)(a) and (c) do not apply in respect of a transaction if a large cash transaction record is also required by subsection (2) to be kept in respect of that same transaction.

CASINOS

- 40.** (1) Subject to subsection 52(1), every casino shall report the following transactions and information to the Centre:
- (a) the receipt of an amount in cash of \$10,000 or more in the course of a single transaction, together with the information set out in Schedule 1, unless the cash is received from a financial entity or a public body;

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(b) the sending out of Canada, at the request of a client, of an electronic funds transfer of \$10,000 or more in the course of a single transaction, together with the information referred to in Schedule 5; and

(c) the receipt from outside Canada of an electronic funds transfer, sent at the request of a client, of \$10,000 or more in the course of a single transaction, together with the information referred to in Schedule 6.

(2) Subject to subsection (3), for greater certainty, paragraph (1)(b) does not apply when the casino sends an electronic funds transfer to a person or entity in Canada, even if the final recipient is outside Canada.

(3) Paragraph (1)(b) applies in respect of a casino that orders a person or entity, to which subsection (1), 12(1) or 28(1) applies, to send out of Canada an electronic funds transfer made at the request of a client, unless it provides that person or entity with the name and address of that client.

(4) Subject to subsection (5), for greater certainty, paragraph (1)(c) does not apply when the casino receives an electronic funds transfer from a person or entity in Canada, even if the initial sender is outside Canada.

(5) Paragraph (1)(c) applies in respect of a casino that receives an electronic funds transfer for a beneficiary in Canada from a person or entity to which subsection (1), 12(1) or 28(1) applies where the initial sender is outside Canada, unless the electronic funds transfer contains the name and address of that beneficiary..

41. (1) Subject to subsection 52(2), every casino shall keep a large cash transaction record in respect of every amount in cash of \$10,000 or more that it receives in the course of a single transaction, unless the amount is received from a financial entity or a public body.

(2) For greater certainty, the transactions in respect of which a casino is required to keep large cash transaction records in accordance with subsection (1) include the following transactions involving an amount in cash of \$10,000 or more:

(a) the sale of chips, tokens or plaques;

(b) front cash deposits;

(c) safekeeping deposits;

(d) the repayment of any form of credit, including repayment by markers or counter cheques;

(e) bets of currency; and

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(f) sales of the casino's cheques.

42. (1) Subject to section 44, every casino shall keep a large cash disbursement record in respect of each of the following transactions in the course of which the total amount of cash disbursed is \$10,000 or more:

(a) the redemption of chips, tokens or plaques;

(b) front cash withdrawals;

(c) safekeeping withdrawals;

(d) advances on any form of credit, including advances by markers or counter cheques;

(e) payments on bets, including slot jackpots;

(f) payments to a client of funds received for credit to that client or any other client;

(g) the cashing of cheques or other negotiable instruments; and

(h) reimbursements to clients of travel and entertainment expenses.

(2) For the purpose of subsection (1), the large cash disbursement record shall set out

(a) the name of the person to whom the disbursement is made;

(b) the person's address and the nature of their principal business or occupation;

(c) the date and nature of the disbursement, and

(d) the person's date of birth.

42.1 Any transaction described in section 40, 41 or 42 that occurs in the course of the business, temporarily conducted for charitable purposes in the establishment of a casino by a registered charity carried on for not more than two consecutive days at a time under the supervision of the casino, shall be reported by the supervising casino.

43. Every casino shall keep the following records:

(a) with respect to every client account that it opens,

(i) a signature card in respect of each account holder,

(ii) every account operating agreement that is received or created in the normal course of business,

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(iii) a deposit slip in respect of every deposit that is made to the account, and

(iv) every debit and credit memo that is received or created in the normal course of business;

(b) where it opens a client account in respect of a corporation, a copy of the part of the official corporate records that contains any provision relating to the power to bind the corporation in respect of the account;

(c) where it opens a client account in the name of a person or of an entity other than a corporation, a record of the name, address and date of birth and the nature of the principal business or occupation of the person or entity, as the case may be;

(d) with respect to every extension of credit to a client of \$3,000 or more, an extension of credit record that indicates

(i) the client's name, address and date of birth and the nature of the principal business or occupation of the client,

(ii) the terms and conditions of the extension of credit, and

(iii) the date and amount of the extension of credit;

(e) with respect to every foreign currency exchange transaction, a transaction ticket; and

(f) where an amount of \$1,000 or more is remitted or transmitted, a record of

(i) the name, address and telephone number of the client initiating the transaction and the nature of their principal business or occupation,

(ii) if the client initiating the transaction is a person, their date of birth,

(iii) the relevant account number if any, and the reference number, if any, of the transaction and the date of the transaction,

(iv) the name or account number of the person or entity to whom the amount is remitted or transmitted, and

(v) the amount and currency of the transaction.

44. A casino is not required to keep a large cash disbursement record if the information that is required to be found in it is readily obtainable from other records that must be kept and retained by the casino under these Regulations.

Acceptance of Deposit Liabilities

45. Every department and agent of Her Majesty in right of Canada or of a province is subject to Part 1 of the Act when it accepts deposit liabilities in the course of providing financial services to the public.

Sale or Redemption of Money Orders

46. Every department and agent of Her Majesty in right of Canada or of a province is subject to Part 1 of the Act when it sells or redeems money orders in the course of providing financial services to the public.

47. Subject to subsection 52(1), every department and agent of Her Majesty in right of Canada or of a province that, while engaging in an activity referred to in section 46, receives from a client an amount in cash of \$10,000 or more in the course of a single transaction shall report the transaction to the Centre, together with the information set out in Schedule 1, unless the amount is received from a financial entity or a public body.

48. Subject to subsection 52(2), every department and agent of Her Majesty in right of Canada or of a province, while engaging in an activity referred to in section 46, shall keep a large cash transaction record in respect of every amount in cash of \$10,000 or more that it receives from a client in the course of a single transaction, unless the amount is received from a financial entity or a public body.

49. Every department and agent of Her Majesty in right of Canada or of a province that engages in an activity referred to in section 46 shall keep the following records in respect of that activity:

- (a) every client information record that is created for the purpose of an ongoing business relationship between the department or agent and a client;
- (b) where the client information record is in respect of a corporation, a copy of the part of official corporate records that contains any provision relating to the power to bind the corporation in respect of transactions with the department or agent;
- (c) where the department or agent receives \$3,000 or more in consideration of the issuance of money orders or other similar negotiable instruments, a record of the date, the amount received, the name, address and date of birth of the person who in fact gives the amount and whether the amount is in cash, cheques, traveller's cheques, money orders or other similar negotiable instruments; and
- (d) where money orders of \$3,000 or more are cashed, a record of the name, address and date of birth of the person cashing the money orders and the name of the issuer of the money orders.

EXCEPTIONS

50. (1) A financial entity is not required to report transactions under paragraph 12(1)(a) in respect of a business of a client, if the following conditions are met:

(a) subject to subsection (2), the client is a corporation that carries on that business as an establishment described in sector 22, 44 (excluding codes 4411, 4412 and 44831) or 45 (excluding code 45392), or code 481, 482, 485 (excluding code 4853), 51322, 51331, 61121 or 61131 of the *North American Industry Classification System* as that sector or code read on January 31, 2003;

(b) the client has had

(i) for the entire preceding 24-month period, an account in respect of that business with that financial entity, or

(ii) an account in respect of that business with a financial entity other than the one referred to in subparagraph (i), for a continuous period of 24 months ending immediately before the client opened an account with that financial entity;

(c) the financial entity has records that indicate that the client has deposited \$10,000 or more in cash into that account on an average of at least twice in every week for the preceding 12 months;

(d) the cash deposits made by the client are consistent with its usual practice in respect of the business;

(e) the financial entity has taken reasonable measures to determine the source of the cash for those deposits; and

(f) subject to subsection 52(1), the financial entity has provided to the Centre the information set out in Schedule 4.

(2) Paragraph (1)(a) does not apply to a corporation that carries on a business related to pawnbroking or a corporation whose principal business is the sale of vehicles, vessels, farm machinery, aircraft, mobile homes, jewellery, precious gems or metals, antiquities or art.

(3) A financial entity that, in accordance with subsection (1), chooses not to report transactions of more than \$10,000 shall report to the Centre any change in the following information, within 15 days after the change is made:

(a) the name and address of the client;

(b) the nature of the client's business; and

(c) the client's incorporation number.

(4) A financial entity that, in accordance with subsection (1), chooses not to report transactions of more than \$10,000 shall, at least once every 12 months,

(a) verify that the conditions referred to in subsection (1) are still met in respect of each client; and

(b) send a report to the Centre setting out the name and address of each client, together with the name of a senior officer of the financial entity who has confirmed that the conditions referred to in subsection (1) are still being met in respect of each client.

51. Where a person or entity maintains a list of clients for the purposes of subsection 9(3) of the Act, the list must contain the name and address of each client and be kept in paper form or in a form referred to in section 68.

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.

ASCERTAINING IDENTITY

PERSONS OR ENTITIES REQUIRED TO KEEP LARGE CASH TRANSACTION RECORDS

53. Subject to subsection 63(1), every person or entity that is required to keep and retain a large cash transaction record under these Regulations shall ascertain, in accordance with paragraph 64(1), the identity of every person with whom the person or entity conducts a transaction in respect of which that record must be kept, other than a deposit made to a business account or a deposit made by means of an automated banking machine.

SUSPICIOUS TRANSACTIONS

53.1 (1) Except where identity has been previously ascertained as required by these Regulations, every person or entity that is subject to these Regulations shall take reasonable measures to ascertain, in accordance with subsection 64(1), the identity of every person with whom the person or entity conducts a transaction that is required to be reported to the Centre under section 7 of the Act.

(2) Subsection (1) does not apply if the person or entity believes that complying with that subsection would inform the person that the transaction and the related information is being reported under section 7 of the Act.

53.2 For the purposes of section 9.2 of the Act, the prescribed circumstances are the circumstances in which a financial entity, a securities dealer or a casino is required to ascertain the identity of a person or confirm the existence of an entity in connection with the opening of a new account in accordance with section 64, 65 or 66, as applicable.

FINANCIAL ENTITIES

54. (1) Subject to subsections 62 and section 63, every financial entity shall

(a) in accordance with paragraph 64(1), ascertain the identity of every person who signs a signature card in respect of an account, other than a credit card account, that the financial entity opens, except in the case of a business account the signature card of which is signed by more than three persons authorized to act with respect to the account, if the financial entity has ascertained the identity of at least three of those persons;

(b) in accordance with paragraph 64(1), ascertain the identity of every person who has not signed a signature card in respect of an account held with the financial entity and has not been authorized to act with respect to such an account but who conducts

(i) a transaction whereby the financial entity issues or redeems money orders, traveller's cheques or other similar negotiable instruments in an amount of \$3,000 or more,

(ii) an electronic funds transfer, as prescribed by subsection 66.1(2), in an amount of \$1,000 or more sent at the request of a client, or

(iii) a foreign currency exchange transaction of \$3,000 or more;

(d) in accordance with section 65, confirm the existence of and ascertain the name and address of every corporation for which the financial entity opens an account and the names of the corporation's directors; and

(e) in accordance with section 66, confirm the existence of every entity, other than a corporation, for which the financial entity opens an account.

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(2) For the purpose of paragraph (1)(a), where the person who signs a signature card is under 12 years of age, the financial entity shall ascertain the identity of the father, mother or guardian of the person in accordance with paragraph 64(1).

54.1 Subject to subsections 62(1) and (2) and section 63, every financial entity shall

(a) where the financial entity opens a credit card account in the name of a person, ascertain their identity in accordance with subsection 64(1.1);

(b) where the financial entity opens a credit card account in the name of a corporation, confirm the existence of and ascertain the name and address of the corporation and the names of its directors in accordance with section 65; and

(c) where the financial entity opens a credit card account in the name of an entity other than a corporation, confirm the existence of the entity in accordance with section 66.

54.2 Subject to section 62 and subsection 63(5), every financial entity shall

(a) in accordance with subsection 67.1(2), take reasonable measures to determine whether a person for whom the financial entity opens an account is a politically exposed foreign person;

(b) take reasonable measures, based on the level of the risk referred to in subsection 9.6(2) of the Act, to determine whether a person who is an existing account holder is a politically exposed foreign person;

(c) in accordance with subsection 67.2(3), take reasonable measures to determine whether the person who initiates an electronic funds transfer of \$100,000 or more is a politically exposed foreign person; and

(d) in accordance with subsection 67.2(3), take reasonable measures to determine whether the person who is the beneficiary of an electronic funds transfer of \$100,000 or more is a politically exposed foreign person.

55. Subject to sections 62 and 63, every trust company shall, in addition to complying with section 54,

(a) in accordance with paragraph 64(1), ascertain the identity of every person who is the settlor of an *inter vivos* trust in respect of which the company is required to keep records under section 15;

(b) in accordance with section 65, confirm the existence of and ascertain the name and address of every corporation that is the settlor of an institutional trust in respect of which the company is required to keep records in accordance with section 15;

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(c) in accordance with section 66, confirm the existence of every entity, other than a corporation, that is the settlor of an institutional trust in respect of which the company is required to keep records in accordance with section 15;

(d) where an entity is authorized to act as a co-trustee of any trust

(i) confirm the existence of the entity and ascertain its name and address in accordance with section 65 or confirm the existence of the entity in accordance with section 66, as the case may be, and

(ii) in accordance with paragraph 64(1), ascertain the identity of all persons — up to three — who are authorized to give instructions with respect to the entity's activities as co-trustee; and

(e) in accordance with paragraph 64(1)), ascertain the identity of each person who is authorized to act as co-trustee of any trust.

CORRESPONDENT BANKING RELATIONSHIPS

55.1 Every financial entity that enters into a correspondent banking relationship shall

(a) ascertain the name and address of the foreign financial institution by examining a copy of the foreign financial institution's banking licence, banking charter, authorization or certification to operate from the relevant regulatory agency or certificate of corporate status or a copy of another similar document; and

(b) take reasonable measures to ascertain, based on publicly available information, whether there are any civil or criminal penalties that have been imposed on the foreign financial institution in respect of anti-money laundering or anti-terrorist financing requirements and, if so, to conduct, for the purpose of detecting any transactions that are required to be reported under section 7 of the Act, ongoing monitoring of all transactions in the context of the correspondent banking relationship.

55.2 In respect of correspondent banking relationships, where the customer of the foreign financial institution has direct access to the services provided under the correspondent banking relationship, the financial entity shall take reasonable measures to ascertain whether

(a) the foreign financial institution has, in respect of those of its customers that have direct access to the accounts of the financial entity, met requirements that are consistent with the requirements of sections 54 and 64; and

(b) the foreign financial institution has agreed to provide relevant customer identification data upon request to the financial entity.

LIFE INSURANCE COMPANIES AND LIFE INSURANCE BROKERS OR AGENTS

56. (1) Subject to subsections (2), section 56.2 and subsections 62(2) and (3) and 63(1), every life insurance company or life insurance broker or agent shall ascertain, in accordance with subsection 64(1), the identity of every person who conducts, on the person's own behalf or on behalf of a third party, a transaction with that life insurance company or life insurance broker or agent for which a client information record is required to be kept under section 19.

(2) A life insurance company or life insurance broker or agent is not required to ascertain the identity of a person where there are reasonable grounds to believe that the person's identity has been ascertained in accordance with paragraph 64(1) by another life insurance company or life insurance broker or agent in respect of the same transaction or of a transaction that is part of a series of transactions that includes the original transaction.

(3) Subject to subsections 62(2) and 63(2) and (4), every life insurance company or life insurance broker or agent shall, in accordance with section 65, confirm the existence of and ascertain the name and address of every corporation in respect of which they are required to keep a client information record and the names of the corporation's directors.

(4) Subject to subsections 62(2) and 63(3), every life insurance company or life insurance broker or agent shall, in accordance with section 66, confirm the existence of every entity, other than a corporation, in respect of which they are required to keep a client information record.

56.1 Subject to section 56.2 and subsections 62(2) and 63(5), every life insurance company or life insurance broker or agent shall, in accordance with subsection 67.2(3), take reasonable measures to determine if a person who makes a lump-sum payment of \$100,000 or more in respect of an immediate or deferred annuity or life insurance policy on their own behalf or on behalf of a third party is a politically exposed foreign person.

56.2 Sections 56 and 56.1 do not apply to a life insurance company or a life insurance broker or agent when they are dealing in reinsurance.

SECURITIES DEALERS

57. (1) Subject to section 62 and subsection 63(1), every securities dealer shall ascertain, in accordance with paragraph 64(1), the identity of every person who is authorized to give instructions in respect of an account for which a record must be kept by the securities dealer under subsection 23(1).

(2) [Deleted – See exceptions in revised section

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(3) Subject to section 62 and subsections 63(2) and (4), every securities dealer shall, in accordance with section 65, confirm the existence of and ascertain the name and address of every corporation for which it opens an account, and the names of the corporation's directors.

(4) Subject to section 62 and subsection 63(3), every securities dealer shall, in accordance with section 66, confirm the existence of every entity, other than a corporation, for which it opens an account.

57.1 (1) Subject to section 62 and subsection 63(5), every securities dealer shall, in accordance with subsection 67.1(2), take reasonable measures to determine if the person for whom the securities dealer opens an account is a politically exposed foreign person.

(2) Subject to section 62 and subsection 63(5), every securities dealer shall take reasonable measures, based on the level of the risk referred to in subsection 9.6(2) of the Act, to determine whether a person who is an existing account holder is a politically exposed foreign person.

58. [Repealed]

MONEY SERVICES BUSINESSES

59. Subject to subsection 63(1), every money services business shall in accordance with paragraph 64(1), ascertain the identity of every person who conducts any of the following transactions:

(a) the issuance or redemption of money orders, traveller's cheques or other similar negotiable instruments in an amount of \$3,000 or more;

(b) the remittance or transmission of \$1,000 or more by any means through any person or entity, or

(c) a foreign currency exchange transaction of \$3,000 or more.

(2) Subject to subsections (6) and 63(2) and (4), every money services business shall, in accordance with section 65, confirm the existence of every corporation in respect of which they are required to keep a client information record and ascertain the name and address of the corporation and the names of the corporation's directors.

(3) Subject to subsections (6) and 63(3), every money services business shall, in accordance with section 66, confirm the existence of every entity, other than a corporation, in respect of which they are required to keep a client information record.

(4) Subsection (1) does not apply when a person referred to in section 32 conducts a transaction on behalf of their employer under an agreement referred to in that section.

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(5) Subject to section 63, every money services business shall, in accordance with subsection 67.2(3),

(a) take reasonable measures to determine whether the person who initiates an electronic funds transfer of \$100,000 or more is a politically exposed foreign person; and

(b) take reasonable measures to determine whether the person who is the beneficiary of an electronic funds transfer of \$100,000 or more is a politically exposed foreign person.

(6) Subsections (2) and (3) do not apply in respect of a corporation or an entity other than a corporation referred to in paragraph 62(2)(m) or (n) with which the money services business has entered into a service agreement referred to in section 32.

ACCOUNTANTS AND ACCOUNTING FIRMS

59.1 Subject to section 63, every accountant and every accounting firm shall, in respect of a transaction for which a record is required to be kept under subsection 36(1),

(a) in accordance with subsection 64(1), ascertain the identity of every person who conducts the transaction;

(b) in accordance with section 65, confirm the existence of and ascertain the name and address of every corporation on whose behalf the transaction is conducted and the names of its directors; and

(c) in accordance with section 66, confirm the existence of every entity, other than a corporation, on whose behalf the transaction is conducted.

REAL ESTATE BROKERS OR SALES REPRESENTATIVES

59.2 (1) Subject to section 63, every real estate broker or sales representative shall, in respect of a transaction for which a record is required to be kept under subsection 39(1),

(a) in accordance with subsection 64(1), ascertain the identity of every person who conducts the transaction;

(b) in accordance with section 65, confirm the existence of and ascertain the name and address of every corporation on whose behalf the transaction is conducted and the names of its directors; and

(c) in accordance with section 66, confirm the existence of every entity, other than a corporation, on whose behalf the transaction is conducted.

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(2) Where the persons or entities that are parties to a real estate transaction are each represented by a different real estate broker or sales representative, the real estate broker or sales representative that represents one party is not required to ascertain the identity or the name and address of any other party or confirm their existence.

(3) Where one or more but not all of the parties to a real estate transaction are represented by a real estate broker or sales representative, each real estate broker or sales representative that represents a party to the transaction shall ascertain the identity or confirm the existence of the parties that are not so represented.

CASINOS

60. Subject to subsection 62(1) and section 63, every casino shall

(a) in accordance with paragraph 64(1), ascertain the identity of every person who signs a signature card in respect of an account that the casino opens, except in the case of a business account whose signature card is signed by more than three persons authorized to act with respect to the account, if the casino has ascertained the identity of at least three of those persons;

(b) in accordance with paragraph 64(1), ascertain the identity of every person who

(i) conducts a transaction with the casino for which a large cash disbursement record is required to be kept under subsection 42(1);

(ii) conducts a transaction of \$3,000 or more with the casino for which an extension of credit record is required to be kept under paragraph 43(d);

(iii) conducts a foreign currency exchange transaction of \$3,000 or more with the casino for which a transaction ticket is required to be kept under paragraph 43(e);

(iv) requests that an amount of \$1,000 or more be remitted or transmitted;

(e) in accordance with section 65, confirm the existence of and ascertain the name and address of every corporation for which the casino opens an account and the names of the corporation's directors; and

(f) in accordance with section 66, confirm the existence of every entity, other than a corporation, for which the casino opens an account.

DEPARTMENTS OR AGENTS OF HER MAJESTY IN RIGHT OF CANADA OR OF A PROVINCE
THAT SELL OR REDEEM MONEY ORDERS

61. Subject to section 63, a department or agent of Her Majesty in right of Canada or of a province that engages in an activity referred to in section 46 shall

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- (a) in accordance with paragraph 64(1), ascertain the identity of every person in respect of whom a client information record is kept under paragraph 49(a);
- (b) in accordance with paragraph 64(1), ascertain the identity of every person in respect of whom they are not required to keep a client information record and who conducts a transaction that involves an amount of \$3,000 or more for the issuance or redemption of money orders or other similar negotiable instruments;
- (c) in accordance with section 65, confirm the existence of and ascertain the name and address of every corporation in respect of which a client information record is required to be kept under paragraph 49(a) and the names of the corporation's directors; and
- (d) in accordance with section 66, confirm the existence of every entity, other than a corporation, in respect of which a client information record is required to be kept under paragraph 49(a).

EXCEPTIONS TO RECORD-KEEPING AND ASCERTAINING IDENTITY

62. (1) Sections 54, 54.1, 54.2, 55, 57, 57.1 and 60 do not apply in respect of

- (a) the opening of a business account in respect of which the financial entity, the securities dealer or the casino, as the case may be, has already ascertained the identity of at least three persons who are authorized to give instructions in respect of the account;
- (b) the opening of an account for the sale of mutual funds where there are reasonable grounds to believe that identity has been ascertained in accordance with subsection 64(1) by a securities dealer in respect of
 - (i) the sale of the mutual funds for which the account has been opened, or
 - (ii) a transaction that is part of a series of transactions that includes that sale; or
- (c) a person who already has an account with the financial entity, the securities dealer or the casino, as the case may be.

(2) Sections 14, 14.1, 19, 23, 54, 54.1, 54.2, 55, 56, 56.1, 57 and 57.1 do not apply in respect of

- (a) the purchase of an exempt policy as defined in subsection 306(1) of the *Income Tax Regulations*, as it read on May 1, 1992;
- (b) the purchase of a group life insurance policy that does not provide for a cash surrender value or a savings component;

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- (c) the purchase of an immediate or deferred annuity that is paid for entirely with funds that are directly transferred from a registered pension plan or from a pension plan that is required to be registered under the *Pension Benefits Standards Act, 1985*, or similar provincial legislation;
- (d) the purchase of a registered annuity policy or a registered retirement income fund;
- (e) the purchase of an immediate or deferred annuity that is paid for entirely with the proceeds of a group life insurance policy;
- (f) a transaction that is part of a reverse mortgage or of a structured settlement;
- (g) the opening of an account for the deposit and sale of shares from a corporate demutualization or the privatization of a Crown corporation;
- (h) the opening of an account in the name of an affiliate of a financial entity, if that affiliate carries out activities that are similar to those of persons and entities referred to in paragraphs 5(a) to (g) of the Act;
- (i) the opening of a registered plan account, including a locked-in retirement plan account, a registered retirement savings plan account and a group registered retirement savings plan account;
- (j) the opening of an account established pursuant to the escrow requirements of a Canadian securities regulator or Canadian stock exchange or any provincial legislation;
- (k) the opening of an account where the account holder or settlor is a pension fund that is regulated by or under an Act of Parliament or of the legislature of a province;
- (l) the opening of an account in the name of, or in respect of which instructions are authorized to be given by, a financial entity, a securities dealer or a life insurance company or by an investment fund that is regulated under provincial securities legislation;
- (m) instances where the entity in respect of which a client information record is otherwise required to be kept is a public body, or a corporation that has minimum net assets of \$75 million on its last audited balance sheet and whose shares are traded on a Canadian stock exchange or a stock exchange that is prescribed by section 3201 of the *Income Tax Regulations* and operates in a country that is a member of the Financial Action Task Force;
- (n) instances where the entity in respect of which a client information record is otherwise required to be kept is a subsidiary of a public body or a corporation referred to in paragraph (m) and the financial statements of the entity are consolidated with the financial statements of that public body or corporation; or

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(o) the opening of an account that is opened solely in the course of providing customer accounting services to a securities dealer.

(3) In respect of a group plan account, other than a group plan account referred to in subsection (2), a financial entity, securities dealer, life insurance company or life insurance broker or agent is not required to ascertain the identity of, or keep a signature card in respect of, any individual member of the group plan or determine whether they are a politically exposed foreign person if

(a) the member's contributions are made by the sponsor of the plan or by means of payroll deductions; and

(b) the existence of the plan sponsor has been confirmed in accordance with section 65 or 66.

63. (1) Where a person has ascertained the identity of another person in accordance with section 64, the person is not required to subsequently ascertain that same identity again if they recognize that other person.

(1.1) Subsection (1) does not apply where the person has doubts about the information collected.

(2) Where a person has confirmed the existence of a corporation and ascertained its name and address and the names of its directors in accordance with section 65, the person is not required to subsequently confirm or ascertain that same information.

(3) Where a person has confirmed the existence of an entity other than a corporation in accordance with section 66, the person is not required to subsequently confirm that same information.

(4) Despite paragraphs 54(1)(d) and 54.1(b), subsections 56(3), 57(3) and 59(2) and paragraphs 59.1(b), 59.2(1)(b), 60(e) and 61(c), the names of a corporation's directors need not be ascertained when the corporation is a securities dealer.

(5) A person or entity that has determined that a person is a politically exposed foreign person in accordance with section 54.2, 56.1 or 57.1 or subsection 59(5) is not required to subsequently determine if that same person is a politically exposed foreign person.

MEASURES FOR ASCERTAINING IDENTITY

64. (1) In the cases referred to in sections 53, 53.1, 54, 55, 56, 57, 59, 59.1, 59.2, 60 and 61, the identity of a person shall be ascertained, at the time referred to in subsection (2) and in accordance with subsection (3),

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(a) by referring to the person's birth certificate, driver's licence, provincial health insurance card (if such use of the card is not prohibited by the applicable provincial law), passport or any similar record, or

(b) where the person is not physically present when the account is opened, the credit card application is submitted, the trust is established, the client information record is created or the transaction is conducted;

(i) by obtaining the person's name, address and date of birth and

(A) confirming that one of the following entities has identified the person in accordance with paragraph (a), namely,

(I) an entity, referred to in any of paragraphs 5(a) to (g) of the Act, that is affiliated with the entity ascertaining the identity of the person,

(II) an entity that carries on activities outside Canada similar to the activities of a person or entity referred to in any of paragraphs 5(a) to (g) of the Act and that is affiliated with the entity ascertaining the identity of the person, or

(III) an entity that is a member of the same association — being a central cooperative credit society as defined in section 2 of the *Cooperative Credit Associations Act*— as the entity ascertaining the identity of the person, and

(B) verifying that the name, address and date of birth in the record kept by that affiliated entity or that entity that is a member of the same association corresponds to the information provided in accordance with these Regulations by the person, or

(ii) subject to subsection (1.3), by using one of the following combinations of the identification methods set out in Part A of Schedule 7, namely,

(A) methods 1 and 3,

(B) methods 1 and 4,

(C) methods 1 and 5,

(D) methods 2 and 3,

(E) methods 2 and 4,

(F) methods 2 and 5,

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(G) methods 3 and 4, or

(H) methods 3 and 5.

(1.1) In the case referred to in paragraph 54.1(a), the identity of a person shall be ascertained by a person or entity, at the time referred to in subsection (2) and in accordance with subsection (3),

(a) by referring to the person's birth certificate, driver's licence, provincial health insurance card (if such use of the card is not prohibited by the applicable provincial law), passport or other similar document; or

(b) where the person is not physically present when the credit card application is submitted,

(i) by obtaining the person's name, address and date of birth and

(A) confirming that one of the following entities has identified the person in accordance with paragraph (a), namely,

(I) an entity, referred to in any of paragraphs 5(a) to (g) of the Act, that is affiliated with the entity ascertaining the identity of the person,

(II) an entity that carries on activities outside Canada similar to the activities of a person or entity referred to in any of paragraphs 5(a) to (g) of the Act and that is affiliated with the entity ascertaining the identity of the person, or

(III) an entity that is a member of the same association — being a central cooperative credit society as defined in section 2 of the *Cooperative Credit Associations Act* — as the entity ascertaining the identity of the person, and

(B) verifying that the name, address and date of birth in the record kept by that affiliated entity or that entity that is a member of the same association corresponds to the information provided in accordance with these Regulations by the person,

(ii) subject to subsection (1.3), by using a combination of any two identification methods referred to in either Part A or Part B of Schedule 7, or

(iii) subject to subsection (1.3), where the person has no credit history in Canada and the credit limit on the card is not more than \$1,500, by using a combination of any two identification methods referred to in any of Parts A, B and C of Schedule 7.

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(1.2) For the purposes of paragraphs (1)(b)(i) and (1.1)(b)(i), an entity is affiliated with another entity if one of them is wholly-owned by the other or both are wholly-owned by the same entity.

(1.3) A combination of methods referred to in subparagraph (1)(b)(ii) or (1.1)(b)(ii) or (iii) shall not be relied on by a person or entity to ascertain the identity of a person unless

(a) the information obtained in respect of that person from each of the two applicable identification methods is determined by the person or entity to be consistent; and

(b) the information referred to in paragraph (a) is determined by the person or entity to be consistent with the information in respect of that person, if any, that is contained in a record kept by the person or entity under these Regulations.

(2) The identity shall be ascertained

(a) in the cases referred to in paragraphs 54(1)(a), subsection 57(1) and 60(a), before any transaction other than an initial deposit is carried out on an account;

(b) in the cases referred to in section 53, paragraphs 54(1)(b), subsection 59(1) and paragraphs 60(b) and 61(b), at the time of the transaction;

(b.1) in the case referred to in section 53.1, before the transaction is reported as required under section 7 of the Act;

(b.2) in the case referred to in paragraph 54.1(a), before any credit card is activated;

(c) in the cases referred to in paragraphs 55(a), (d) and (e), within 15 days after the trust company becomes the trustee;

(d) in the cases referred to in subsection 56(1) and paragraph 61(a), within 30 days after the client information record is created;

(e) in the cases referred to in paragraphs 59.1(a) and 59.2(1)(a), at the time of the transaction; and

(f) in the case referred to in subsection 62(3), at the time a contribution in respect of an individual member of the group plan is made to the plan, if

(i) the member's contribution is not made as described in paragraph 62(3)(a), or

(ii) the existence of the plan sponsor has not been confirmed in accordance with section 65 or 66.

(3) Unless otherwise specified in these Regulations, only original documents that are valid and have not expired may be referred to for the purpose of ascertaining identity in accordance with paragraph (1)(a) or (1.1)(a).

64.1 (1) A person or entity required to take measures to ascertain identity under subsection 64(1) or (1.1) may rely on an agent or mandatary to take the identification measures described in paragraph 64(1)(a) or (1.1)(a), respectively, only if that person or entity has entered into an agreement or arrangement, in writing, with that agent or mandatary for the purposes of ascertaining identity.

(2) A person or entity that enters into an agreement or arrangement referred to in subsection (1) must obtain from the agent or mandatary the customer information obtained by the agent or mandatary under that agreement or arrangement.

65. (1) The existence of a corporation shall be confirmed and its name and address and the names of its directors shall be ascertained as of the time referred to in subsection (2), by referring to its certificate of corporate status, a record that it is required to file annually under the applicable provincial securities legislation or any other record that ascertains its existence as a corporation. The record may be in paper form or in an electronic version that is obtained from a source that is accessible to the public.

(2) The information referred to in subsection (1) shall be ascertained,

(a) in the case referred to in paragraphs 54(1)(d) and 60(e), before any transaction other than the initial deposit is carried out on the account;

(a.1) in the case referred to in paragraph 54.1(b), before any credit card is issued on the account;

(b) in the cases referred to in paragraphs 55(b) and (d), within 15 days after the trust company becomes the trustee;

(c) in the cases referred to in subsections 56(3) and 59(2) and paragraph 61(c), within 30 days after the client information record is created; and

(d) in the case referred to in subsection 57(3), within 30 days after the opening of the account, and

(e) in the cases referred to in paragraphs 59.1(b) and 59.2(1)(b), within 30 days after the transaction.

(3) Where the information has been ascertained by referring to an electronic version of a record, the person or entity required to ascertain the information shall keep a record that

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sets out the corporation's registration number, the type of record referred to and the source of the electronic version of the record.

(4) Where the information has been ascertained by referring to a paper copy of a record, the person or entity required to ascertain the information shall retain the record or a copy of it.

66. (1) The existence of an entity, other than a corporation, shall be confirmed as of the time referred to in subsection (2), by referring to a partnership agreement, articles of association or other similar record that ascertains its existence. The record may be in paper form or in an electronic version that is obtained from a source that is accessible to the public.

(2) The existence of the entity shall be confirmed

(a) in the case referred to in paragraphs 54(1)(e) and 60(f), before any transaction other than the initial deposit is carried out on the account;

(a.1) in the case referred to in paragraph 54.1(c), before any credit card is issued on the account;

(b) in the cases referred to in paragraphs 55(c) and (d), within 15 days after the trust company becomes the trustee;

(c) in the cases referred to in subsections 56(4) and 59(3) and paragraph 61(d), within 30 days after the client information record is created; and

(d) in the case referred to in subsection 57(4), within 30 days after the account is opened, and

(e) in the cases referred to in paragraphs 59.1(c) and 59.2(1)(c), within 30 days after the transaction.

(3) Where the existence of the entity has been confirmed by referring to an electronic version of a record, the person or entity required to confirm that information shall keep a record that sets out the registration number of the entity whose existence is being confirmed, the type of record referred to and the source of the electronic version of the record.

(4) Where the existence of the entity has been confirmed by referring to a paper copy of a record, the person or entity required to confirm that information shall retain the record or a copy of it.

66.1 (1) The prescribed persons or entities for the purpose of section 9.5 of the Act are every financial entity, money services business and casino that is required to keep a

record under these Regulations in respect of an electronic funds transfer referred to in subsection (2).

(2) Subject to subsection (3), the prescribed electronic funds transfers to which section 9.5 of the Act applies are electronic funds transfers as defined in subsection 1(2) — but including transfers within Canada that are SWIFT MT 103 messages — that are sent at the request of a client by a means that allows for the information referred to in paragraph 9.5(a) of the Act to be included with the transfers.¹

(3) For greater certainty, subsection (2) does not apply in respect of

(a) a transfer carried out using a credit or debit card, if the recipient has an agreement with the payment service provider permitting payment by such means for the provision of goods and services;

(b) a transfer where the recipient withdraws cash from their account;

(c) a transfer carried out by means of a direct deposit or a pre-authorized debit; or

(d) a transfer carried out using cheque imaging and presentment.

67. Every person or entity that is required by these Regulations to ascertain the identity of a person in connection with a record that the person or entity has created and is required to keep under these Regulations, or a transaction that they have carried out and in respect of which they are required to keep a record under these Regulations or under section 12.1 of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Suspicious Transaction Reporting Regulations*, shall set out on or in or include with that record the name of that person and

(a) if a birth certificate, driver's licence, provincial health insurance card (if such use of the card is not prohibited by the applicable provincial law), passport or any similar record is relied on to ascertain the person's identity, the type and reference number of the record, and the place where it was issued;

(b) if a confirmation of a cleared cheque from a financial entity is relied on to ascertain the person's identity, the name of the financial entity and the account number of the deposit account on which the cheque was drawn

¹ Amended effective June 23, 2009 as follows:

(2) Subject to subsection (3), the prescribed electronic funds transfers to which section 9.5 of the Act applies are those as defined in subsection 1(2), but including transfers within Canada that are SWIFT MT 103 messages.

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(c) if the person's identity is ascertained by confirming that they hold a deposit account with a financial entity, the name of the financial entity where the account is held and the number of the account and the date of the confirmation;

(d) if the person's identity is ascertained by relying on a previous confirmation of their identity by an entity that is affiliated with the entity ascertaining the identity of the person or an entity that is a member of the same association — being a central cooperative credit society as defined in section 2 of the Cooperative Credit Associations Act — as the entity ascertaining the identity of the person, the name of that entity and the type and reference number of the record that entity previously relied on to ascertain the person's identity;

(e) if an identification product is used to ascertain the person's identity, the name of the identification product, the name of the entity offering the product, the search reference number and the date the product was used to ascertain the person's identity;

(f) if the person's identity is ascertained by consulting a credit file kept by an entity in respect of the person, the name of the entity and the date of the consultation;

(g) if the person's identity is ascertained from an attestation signed by a commissioner of oaths in Canada or a guarantor in Canada, the attestation;

(h) if the person's identity is ascertained by consulting an independent data source, the name of the data source, the date of the consultation and the information provided by the data source;

(i) if the person's identity is ascertained by relying on a utility invoice issued in the person's name, the invoice or a legible photocopy or electronic image of the invoice;

(j) if the person's identity is ascertained by relying on a photocopy or electronic image of a document provided by the person, that photocopy or electronic image; and

(k) if the person's identity is ascertained by relying on a deposit account statement issued in the person's name by a financial entity, a legible photocopy or electronic image of the statement.

DUE DILIGENCE MEASURES IN RESPECT OF POLITICALLY EXPOSED FOREIGN PERSONS

67.1 (1) A financial entity or securities dealer that has determined under paragraph 54.2(a) or (b) or section 57.1 that a person is a politically exposed foreign person shall

(a) take reasonable measures to establish the source of the funds that have been, will be or are expected to be deposited in the account in question;

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(b) subject to subsections (2) and (3), obtain the approval of senior management to keep the account open; and

(c) conduct enhanced ongoing monitoring of the activities in respect of the account for the purpose of detecting transactions that are required to be reported to the Centre under section 7 of the Act.

(2) The determination referred to in paragraph 54.2(a) and section 57.1(1) as to whether a person is a politically exposed foreign person shall be made, and the approval referred to in paragraph (1)(b) shall be obtained, within 14 days from the day on which the account is activated.

(3) The approval referred to in paragraph (1)(b) shall be obtained within 14 days after the day on which a financial entity or securities dealer has determined under paragraph 54.2(b) or subsection 57.1(2) that a person is a politically exposed foreign person.

67.2 (1) A financial entity, life insurance company or life insurance broker or agent or money services business that has determined under paragraph 54.2(c), section 56.1 or paragraph 59(5)(a) that a person is a politically exposed person shall take reasonable measures to establish the source of the funds that have been used for the transaction in question.

(2) Where a financial entity, life insurance company, life insurance broker or agent or money services business has determined under paragraph 54.2(c) or (d), section 56.1 or subsection 59(5) that a person is a politically exposed foreign person, a member of senior management shall review the transaction in question in accordance with subsection (3).

(3) The determination, referred to in paragraphs 54.2(c) and (d), section 56.1 and subsection 59(5), as to whether a person is a politically exposed foreign person and the review of a transaction referred to in subsection (2) shall be completed within 14 days after the day on which the transaction occurred.

RETENTION OF RECORDS

68. Where any record is required to be kept under these Regulations, a copy of it may be kept

(a) in a machine-readable form, if a paper copy can be readily produced from it; or

(b) in an electronic form, if a paper copy can be readily produced from it and an electronic signature of the person who must sign the record in accordance with these Regulations is retained.

69. (1) Subject to subsection (2), every person or entity that is required to obtain, keep or create records under these Regulations shall retain those records for a period of at least five years following

(a) in respect of signature cards, account operating agreements, client credit files and account application forms, the day of the closing of the account to which they relate;

(b) in respect of client information records, certificates of corporate status, records that are required to be filed annually under the applicable provincial securities legislation or other similar records that ascertain the existence of a corporation, and records that ascertain the existence of an entity, other than a corporation, including partnership agreements and articles of association, the day on which the last business transaction is conducted; and

(c) in respect of all other records, the day on which they were created.

(2) Where records that an individual keeps under these Regulations are the property of the individual's employer or a person or entity with which the individual is in a contractual relationship, the individual is not required to retain the records after the end of the individual's employment or contractual relationship.

70. Every record that is required to be kept under these Regulations shall be retained in such a way that it can be provided to an authorized person within 30 days after a request is made to examine it under section 62 of the Act.

COMPLIANCE

71. (1) For the purposes of subsection 9.6(1) of the Act, a person or entity referred to in that subsection shall, as applicable, implement the compliance program referred to in that subsection by.

(a) appointing a person — who, where the compliance program is being implemented by a person, may be that person — who is to be responsible for the implementation of the program;

(b) developing and applying written compliance policies and procedures that are kept up to date and, in the case of an entity, are approved by a senior officer; ;

(c) assessing and documenting, in a manner that is appropriate for the person or entity, the risk referred to in subsection 9.6(2) of the Act, taking into consideration

(i) the clients and business relationships of the person or entity,

(ii) the products and delivery channels of the person or entity,

(iii) the geographic location of the activities of the person or entity, and

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- (iv) any other relevant factor;
 - (d) if the person or entity has employees, agents or persons authorized to act on their behalf, developing and maintaining a written ongoing compliance training program for those employees, agents or persons; and
 - (e) instituting and documenting a review of the policies and procedures, the risk assessment and the training program for the purpose of testing their effectiveness, which review is required to be carried out every two years by an internal or external auditor of the person or entity, or by the person or entity if they do not have such an auditor.
- (2) For the purposes of the compliance program referred to in subsection 9.6(1) of the Act, every entity referred to in that subsection shall report the following in written form to a senior officer within 30 days after the assessment:
- (a) the findings of the review referred to in paragraph (1)(e);
 - (b) any updates made to the policies and procedures within the reporting period; and
 - (c) the status of the implementation of the updates to those policies and procedures.

71.1 The prescribed special measures that are required to be taken by a person or entity referred to in subsection 9.6(1) of the Act for the purpose of subsection 9.6(3) of the Act are the development and application of written policies and procedures for

- (a) taking reasonable measures to keep client identification information and the information referred to in section 11.1 up to date;
- (b) taking reasonable measures to conduct ongoing monitoring for the purpose of detecting transactions that are required to be reported to the Centre under section 7 of the Act; and
- (c) mitigating the risks identified in accordance with subsection 9.6(3) of the Act.

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SCHEDULE 1

(Paragraph 12(1)(a), sections 17 and 21, paragraphs 24(1)(a) and 28(1)(a), sections 35 and 38, paragraph 40(1)(a), section 47 and subsections 52(1) and (3))

LARGE CASH TRANSACTION REPORT

PART A — Information on Place of Business Where Transaction Occurred

1.* Type of reporting person or entity, as described in paragraphs 5(a) to (h), (k) and (l) of the Act, and, if reporting person or entity is referred to in paragraph 5(i) or (j) of the Act, type of business, profession or activity of reporting person or entity, as described in sections 16, 34, 37, 45 and 46 of these Regulations

2.* Identification number of place of business where transaction occurred (e.g., institution's identification number, licence number or registration number), if applicable

3.* Full name of reporting person or entity

4.* Full address of place of business where transaction occurred

5.* Name and telephone number of contact person

PART B — Information on Transaction

1.* Date of transaction or night deposit indicator

2. Time of transaction and, for a transaction for which the date is provided in item 1, the posting date (if different from the date of the transaction)

3. Posting date for a transaction for which night deposit indicator is provided in item 1, if date of transaction is not provided

4.* Purpose and details of the transaction, including amount of transaction and currency of transaction

5.* Disposition of funds, amount of disposition, currency of disposition and, if applicable, name and number of each other institution and name, account number and policy number of each other person or entity

6.* Method by which the transaction is conducted (in branch or office, ABM, armoured car, mail deposit, courier or other)

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PART C — Account Information (if applicable)

- 1.* Account number
- 2.* Branch number or transit number
- 3.* Type of account (personal, business, trust or other)
- 4.* Full name of each account holder
- 5.* Type of currency of the account

PART D — Information on Person Conducting Transaction That Is not a Deposit Into a Business Account (if applicable)

- 1.* Person's full name
- 2.* Client number provided by reporting person or entity, if applicable
- 3.* Person's full address
4. Person's personal telephone number
5. Person's country of residence
- 6.* Person's type of identifier (e.g., driver's licence, birth certificate, provincial health insurance card — if such use of the card is not prohibited by the applicable provincial law — or passport) and identifier number
- 7.* Place of issue of person's identifier (province or state, country)
- 8.* Person's date of birth
9. Person's business telephone number
- 10.* Person's occupation

PART E — Information on Person Conducting Transaction That Is a Deposit Into a Business Account Other Than a Night Deposit or a Quick Drop (if applicable)

- 1.* Person's full name

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PART F — Information on Entity on Whose Behalf Transaction is Conducted (if applicable)

- 1.* Entity's full name
- 2.* Entity's incorporation number and place of issue of its incorporation number, if applicable
- 3.* Entity's type of business
- 4.* Entity's full address
5. Entity's telephone number
6. Full name of each person — up to three — who is authorized to bind the entity or act with respect to the account

PART G — Information on Person on Whose Behalf Transaction is Conducted (if applicable)

- 1.* Person's full name
- 2.* Person's full address
3. Person's personal telephone number
4. Person's business telephone number
5. Person's type of identifier (e.g., driver's licence, birth certificate, provincial health insurance card — if such use of the card is not prohibited by the applicable provincial law — or passport) and identifier number
6. Place of issue of person's identifier (province or state, country)
7. Person's date of birth
8. Person's occupation
9. Person's country of residence
10. Relationship of person conducting the transaction to the person on whose behalf the transaction is conducted

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SCHEDULE 2

(*Paragraphs 12(1)(b) and 28(1)(b) and subsections 52(1), (3) and (4)*)

OUTGOING SWIFT MESSAGES REPORT INFORMATION

PART A — Transaction Information

1. Time indication
- 2.* Value date
- 3.* Amount of electronic funds transfer
- 4.* Currency of electronic funds transfer
5. Exchange rate
6. Transaction type code

PART B — Information on Client Ordering Payment of Electronic Funds Transfer

- 1.* Client's full name
- 2.* Client's full address
- 3.* Client's account number, if applicable

PART C — Information on Person or Entity Sending Electronic Funds Transfer (person or entity that sends payment instructions)

- 1.* (a) Bank Identification Code (BIC)

- or -

(b) Full name and full address

PART D — Information on Person or Entity Ordering Electronic Funds Transfer on Behalf of a Client (ordering institution) (if applicable)

- 1.* (a) Bank Identification Code (BIC)

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- or -

(b) Full name and full address

PART E — Information on Sender's Correspondent (person or entity, other than sending person or entity, acting as reimbursement bank for sender) (if applicable)

1.* (a) Bank Identification Code (BIC)

- or -

(b) Full name and full address

PART F — Information on Receiver's Correspondent (person or entity acting as reimbursement bank for receiver) (if applicable)

1.* (a) Bank Identification Code (BIC)

- or -

(b) Full name and full address

PART G — Information on Third Reimbursement Institution (receiver's branch, when the funds are made available to it through a financial institution other than sender's correspondent) (if applicable)

1.*(a) Bank Identification Code (BIC)

- or -

(b) Full name and full address

PART H — Information on Intermediary Institution (financial institution, between receiver and account with institution, through which transaction must pass) (if applicable)

1.* (a) Bank Identification Code (BIC)

- or -

(b) Full name and full address

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PART I — Information on Account with Institution (financial institution when other than the receiver that services account for the beneficiary customer) (if applicable)

1.* (a) Bank Identification Code (BIC)

- or -

(b) Full name and full address

PART J — Information on Person or Entity Receiving Electronic Funds Transfer (person or entity receiving payment instructions)

1.* (a) Bank Identification Code (BIC)

- or -

(b) Full name and full address

PART K — Information on Client to Whose Benefit Payment is Made

1.* Client's full name

2.* Client's full address

3.* Client's account number, if applicable

PART L — Additional Payment Information

1. Remittance information

2. Details of charges

3. Sender's charges

4. Sender's reference

5. Bank operation code

6. Instruction code

7. Sender-to-receiver information

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8. Regulatory reporting

9. Envelope contents

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SCHEDULE 3

(Paragraphs 12(1)(c) and 28(1)(c) and subsections 52(1), (3) and (4))

INCOMING SWIFT MESSAGES REPORT INFORMATION

PART A — Transaction Information

1. Time indication
- 2.* Value date
- 3.* Amount of electronic funds transfer
- 4.* Currency of electronic funds transfer
5. Exchange rate
6. Transaction type code

PART B — Information on Client Ordering Payment of Electronic Funds Transfer

1. Client's full name
2. Client's full address
3. Client's account number, if applicable

PART C — Information on Person or Entity Sending Electronic Funds Transfer (person or entity that sends payment instructions)

1. (a) Bank Identification Code (BIC)

- or -

- (b) Full name and full address

PART D — Information on Person or Entity Ordering Electronic Funds Transfer on Behalf of a Client (ordering institution)

1. (a) Bank Identification Code (BIC)

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- or -

(b) Full name and full address

PART E — Information on Sender's Correspondent (person or entity, other than sending person or entity, acting as reimbursement bank for sender) (if applicable)

1. (a) Bank Identification Code (BIC)

- or -

(b) Full name and full address

PART F — Information on Receiver's Correspondent (person or entity acting as reimbursement bank for receiver) (if applicable)

1.* 1. (a) Bank Identification Code (BIC)

- or -

(b) Full name and full address

PART G — Information on Third Reimbursement Institution (receiver's branch, when the funds are made available to it through a financial institution other than sender's correspondent) (if applicable)

1.* (a) Bank Identification Code (BIC)

- or -

(b) Full name and full address

PART H — Information on Intermediary Institution (financial institution, between receiver and account with institution, through which transaction must pass) (if applicable)

1.* (a) Bank Identification Code (BIC)

- or -

(b) Full name and full address

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PART I — Information on Account with Institution (financial institution when other than the receiver that services account for the beneficiary customer) (if applicable)

1.* (a) Bank Identification Code (BIC)

- or -

(b) Full name and full address

PART J — Information on Person or Entity Receiving Electronic Funds Transfer (person or entity receiving payment instructions)

1. (a) Bank Identification Code (BIC)

- or -

(b) Full name and full address

PART K — Information on Client to Whose Benefit Payment is Made

1. Client's full name
2. Client's full address
3. Client's account number, if applicable

PART L — Additional Payment Information

1. Remittance information
2. Details of charges
3. Sender's charges
4. Sender's reference
5. Bank operation code
6. Instruction code
7. Sender-to-receiver information

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SCHEDULE 4

(Paragraph 50(1)(f) and subsection 52(1))

INFORMATION TO BE PROVIDED BY FINANCIAL ENTITY CHOOSING NOT TO
REPORT LARGE CASH TRANSACTION WITH RESPECT TO A CLIENT'S
BUSINESS

PART A — Information on Financial Entity

- 1.* Identification number of financial entity where client has account
- 2.* Full name of financial entity
- 3.* Full address of financial entity

PART B — Information on Client

- 1.* Name and address of client
- 2.* Nature of client's business
- 3.* Incorporation number of client and date and jurisdiction of its incorporation
- 4.* Total value and total number of client's cash deposits in respect of that business over the preceding 12 months

PART C — Contact Person at Financial Entity

- 1.* Name of contact person
- 2.* Telephone number of contact person

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SCHEDULE 5

(Paragraphs 12(1)(b), 28(1)(b) and 40(1)(b) and subsections 52(1) and (3))

OUTGOING NON-SWIFT INTERNATIONAL ELECTRONIC FUNDS TRANSFER
REPORT INFORMATION

PART A — Transaction Information

1. Time Sent
- 2.* Date
- 3.* Amount of electronic funds transfer
- 4.* Currency of electronic funds transfer
5. Exchange rate

PART B — Information on Client Ordering Payment of Electronic Funds Transfer

- 1.* Client's full name
2. Client's full address
3. Client's telephone number
4. Client's date of birth
5. Client's occupation
- 6.* Client's account number, if applicable
7. Client's identifier
8. Client's Identifier Number

PART C — Information on Sender of Electronic Funds Transfer (person or entity that sends payment instructions)

- 1.* Full name of sending institution

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2* Full address of sending institution

PART D — Information on Third Party where Client Ordering Electronic Funds Transfer is Acting on Behalf of a Third Party (if applicable)

1. Third party's full name
2. Third party's full address
3. Third party's date of birth
4. Third party's occupation
5. Third party's identifier

PART E — Information on Receiver of Electronic Funds Transfer (person or entity that receives payment instructions)

1. Full name of receiving institution
2. Full address of receiving institution

PART F — Information on Client to Whose Benefit the Payment is Made

- 1.* Client's full name
2. Client's full address
3. Client's telephone number
4. Client's date of birth
5. Client's occupation
- 6.* Client's account number, if applicable
7. Client's identifier

PART G — Information on Third Party where Client to Whose Benefit Payment is Made is Acting on Behalf of a Third Party (if applicable)

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1. Third party's full name
2. Third party's full address
3. Third party's date of birth
4. Third party's occupation
5. Third party's identifier

SCHEDULE 6

(Paragraphs 12(1)(c), 28(1)(c) and subsection 52(1))

*INCOMING NON-SWIFT INTERNATIONAL ELECTRONIC FUNDS TRANSFER
REPORT INFORMATION*

PART A — Transaction Information

1. Time sent
- 2.* Date
- 3.* Amount of electronic funds transfer
- 4.* Currency of electronic funds transfer
5. Exchange rate

PART B — Information on Client Ordering Payment of an Electronic Funds Transfer

- 1.* Client's full name
2. Client's full address
3. Client's telephone number
4. Client's date of birth
5. Client's occupation
6. Client's account number, if applicable

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7. Client's identifier

8. Client's Identifier Number

PART C — Information on Sender of Electronic Funds Transfer (person or entity that ends payment instructions)

1.* Full name of sending institution

2.* Full address of sending institution

PART D — Information on Third Party where Client Ordering Electronic Funds Transfers Acting on Behalf of a Third Party (if applicable)

1. Third party's full name

2. Third party's full address

3. Third party's date of birth

4. Third party's occupation

5. Third party's identifier

PART E — Information on Receiver of Electronic Funds Transfer (person or entity that receives payment instructions)

1.* Full name of receiving institution

2.* Full address of receiving institution

PART F — Information on Client to Whose Benefit the Payment is Made

1.* Client's full name

2. Client's full address

3. Client's telephone number

4. Client's date of birth

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5. Client's occupation

6.* Client's account number, if applicable

7. Client's identifier

PART G — Information on Third Party where Client to Whose Benefit Payment is Made Acting on Behalf of a Third Party (if applicable)

1. Third party's full name

2. Third party's full address

3. Third party's date of birth

4. Third party's occupation

5. Third party's identifier

SCHEDULE 7

(Subparagraphs 64(1)(b)(ii) and (1.1)(b)(ii) and (iii))

NON-FACE-TO-FACE IDENTIFICATION METHODS

PART A

IDENTIFICATION METHODS FOR ALL REPORTING ENTITIES

IDENTIFICATION PRODUCT METHOD

1. This method of ascertaining a person's identity consists of referring to an independent and reliable identification product that is based on personal information in respect of the person and a Canadian credit history of the person of at least six month's duration.

CREDIT FILE METHOD

2. This method of ascertaining a person's identity consists of confirming, after obtaining authorization from the person, their name, address and date of birth by referring to a credit file in respect of that person in Canada that has been in existence for at least six months.

ATTESTATION METHOD

3. (1) This method of ascertaining a person's identity consists of obtaining an attestation from a commissioner of oaths in Canada, or a guarantor in Canada, that they have seen one of the documents referred to in paragraph 64(1)(a) of these Regulations. The attestation must be produced on a legible photocopy of the document (if such use of the document is not prohibited by the applicable provincial law) and must include

(a) the name, profession and address of the person providing the attestation;

(b) the signature of the person providing the attestation; and

(c) the type and number of the identifying document provided by the person.

(2) For the purpose of subsection (1), a guarantor is a person engaged in one of the following professions in Canada:

(a) dentist;

(b) medical doctor;

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(c) chiropractor;

(d) judge;

(e) magistrate;

(f) lawyer;

(g) notary (in Quebec);

(h) notary public;

(I) optometrist;

(j) pharmacist;

(k) professional accountant (APA [Accredited Public Accountant], CA [Chartered Accountant], CGA [Certified General Accountant], CMA [Certified Management Accountant], PA [Public Accountant] or RPA [Registered Public Accountant]);

(l) professional engineer (P.Eng. [Professional Engineer, in a province other than Quebec] or Eng. [Engineer, in Quebec]); or

(m) veterinarian.

CLEARED CHEQUE METHOD

4. This method of ascertaining a person's identity consists of confirming that a cheque drawn by the person on a deposit account of a financial entity, other than an account referred to in section 62 of these Regulations, has been cleared.

CONFIRMATION OF DEPOSIT ACCOUNT METHOD

5. This method of ascertaining a person's identity consists of confirming that the person has a deposit account with a financial entity, other than an account referred to in section 62 of these Regulations.

PART B

IDENTIFICATION METHODS FOR CREDIT CARD ACCOUNTS

IDENTIFICATION PRODUCT METHOD

1. This method of ascertaining a person's identity consists of referring to an independent and reliable identification product that is based on personal information in respect of the person and a Canadian credit history of the person of at least six month's duration.

CREDIT FILE METHOD

2. This method of ascertaining a person's identity consists of confirming, after obtaining authorization from the person, their name, address and date of birth by referring to a credit file in respect of that person in Canada that has been in existence for at least six months.

INDEPENDENT DATA SOURCE METHOD

3. This method of ascertaining a person's identity consists of consulting a reputable and independent database that is compiled from a directory of a telecommunications entity or a federal, provincial or municipal voter's registry and that contains the names, addresses and telephone numbers of individuals in order to confirm the person's name, address and telephone number.

PART C

IDENTIFICATION METHODS FOR CREDIT CARD ACCOUNT APPLICANTS
WITH NO CREDIT HISTORY IN CANADA

INDEPENDENT DATA SOURCE METHOD

1. This method of ascertaining a person's identity consists of consulting a reputable and independent database that is compiled from a directory of a telecommunications entity or a federal, provincial or municipal voter's registry and that contains the names, addresses and telephone numbers of individuals in order to confirm the person's name, address and telephone number.

UTILITY INVOICE METHOD

2. This method of ascertaining a person's identity consists of obtaining a utility service invoice that is issued by a Canadian utility provider in the name of the person and that includes their address.

PHOTOCOPY OF AN IDENTIFICATION DOCUMENT METHOD

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3. This method of ascertaining a person's identity consists of obtaining a legible photocopy or electronic image of a document referred to in paragraph 64(1)(a) of these Regulations in respect of the person.

DEPOSIT ACCOUNT STATEMENT METHOD

4. This method of ascertaining a person's identity consists of obtaining a legible photocopy or electronic image of a deposit account statement issued by a financial entity in the name of the person.

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PROCEEDS OF CRIME (MONEY LAUNDERING) AND TERRORIST FINANCING
SUSPICIOUS TRANSACTION REPORTING REGULATIONS

INTERPRETATION

1. (1) For the purposes of the Act and in these Regulations, "casino" means a person or entity that is licensed, registered, permitted or otherwise authorized to do business under any of paragraphs 207(1)(a) to (g) of the *Criminal Code* and that conducts its business activities in a permanent establishment

(a) that the person or entity holds out to be a casino and in which roulette or card games are carried on; or

(b) where there is a slot machine, which, for the purposes of this definition, does not include a video lottery terminal.

It does not include a person or entity that is a registered charity as defined in subsection 248(1) of the *Income Tax Act* and is licensed, registered, permitted or otherwise authorized to carry on business temporarily for charitable purposes, if the business is carried out in the establishment of the casino for not more than two consecutive days at a time under the supervision of the casino.

(2) The definitions in this subsection apply in these Regulations.

"accountant" means a chartered accountant, a certified general accountant or a certified management accountant.

"accounting firm" means an entity that is engaged in the business of providing accounting services to the public and has at least one partner, employee or administrator that is an accountant.

"Act" means the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*.

"cash" means coins referred to in section 7 of the *Currency Act*, notes issued by the Bank of Canada pursuant to the *Bank of Canada Act* that are intended for circulation in Canada and coins or bank notes of countries other than Canada.

"CICA Handbook" means the handbook prepared and published by the Canadian Institute of Chartered Accountants, as amended from time to time.

"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,

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only SWIFT MT 103 messages are included, including a SWIFT MT 100 or MT 103 message.^(2007*)

"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 and 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 where⁽²⁰⁰⁷⁾ the department or agent is carrying out an activity referred to in paragraph section⁽²⁰⁰⁷⁾ 8(a)⁽²⁰⁰⁷⁾.

"funds" means cash, currency or securities, or negotiable instruments or other financial instruments, in any form, that indicate a person's or an entity's title or interest in them.

"life insurance broker or agent" means a person or entity that is registered or licensed under provincial legislation to carry on the business of arranging contracts of life insurance.

"listed person" has the same meaning as in section 1 of the *Regulations Implementing the United Nations Resolutions on the Suppression of Terrorism*.

"money services business" means a person or entity referred to in paragraph 5 (h) of the Act. that is engaged in the business of remitting funds or transmitting funds by any means or through any person, entity or electronic funds transfer network, or of issuing or redeeming money orders, traveller's cheques or other similar negotiable instruments. It includes a financial entity when it carries out one of those activities with a person or entity that is not an account holder .

"real estate broker or sales representative" means a person or entity that is registered or licensed under provincial legislation in respect of the sale or purchase of real estate.

"SWIFT" means the Society for Worldwide Interbank Financial Telecommunication.

"trust company" means a company to which the *Trust and Loan Companies Act* applies or a trust company regulated by a provincial Act.

1.1 For the purposes of paragraph 5(i) of the Act, any business, temporarily conducted for charitable purposes in the establishment of a casino by a registered charity carried on for not more than two consecutive days at a time under the supervision of the casino, is considered to be an activity conducted by the supervising casino.

* Amendments effective June 30, 2007 are marked ⁽²⁰⁰⁷⁾. All other amendments are to be implemented June 23, 2008.

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2. For the purposes of these Regulations, a person acting on behalf of their employer is considered to be acting on behalf of a third party ~~another person or entity~~ except when the person is depositing cash into the employer's account.

APPLICATION OF PART 1 OF THE ACT

3. Part 1 of the Act applies to life insurance brokers or agents.

4. (1) Every money services business is subject to Part 1 of the Act when it engages in any of the following activities:

(a) remitting funds or transmitting funds by any means or through any person, entity or electronic funds transfer network; or

(b) issuing or redeeming money orders, traveller's cheques or other similar negotiable instruments.

(2) For greater certainty, paragraph (1)(b) does not apply in respect of the redemption of any cheque payable to a named person or entity.

5. [Repealed]

6. (1) Subject to subsection (2) and (3), every accountant and every accounting firm is subject to Part 1 of the Act when they

(a) engage in any of the following activities on behalf of any person or entity, namely,

(i) receiving or paying funds,

(ii) purchasing or selling securities, real property or business assets or entities, or

(iii) transferring funds or securities by any means; or

(b) give instructions on behalf of any person or entity in respect of any activity referred to in paragraph (a); ~~or~~

~~(c) receive professional fees in respect of any activity referred to in paragraph (a) or in respect of any instructions referred to in paragraph (b).~~

(2) Subsection (1) does not apply in respect of an accountant when they engage in any of the activities referred to in paragraph (1)(a), or (b) ~~or (c)~~ on behalf of their employer.

(3) For greater certainty, subsection (1) does not apply in respect of audit, review or compilation engagements carried out in accordance with the recommendations set out in the CICA Handbook.

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7. Every real estate broker or sales representative is subject to Part 1 of the Act when they act as an agent in respect of the purchase or sale of real estate. ~~engage in any of the following activities on behalf of any person or entity in the course of a real estate transaction:~~

~~(a) receiving or paying funds;~~

~~(b) depositing or withdrawing funds; and~~

~~(c) transferring funds by any means.~~

8. Every department and agent of Her Majesty in right of Canada or of a province is subject to Part 1 of the Act when, in the course of providing financial services to the public, it

(a) accepts deposit liabilities; or

(b) sells or redeems money orders.

9. (1) Subject to section 11, a report under section 7 of the Act concerning a financial transaction or an attempted financial transaction in respect of which there are reasonable grounds to suspect that the transaction or attempted transaction is related to the commission of a money laundering offence or a terrorist activity financing offence shall contain the information set out in Schedule 1.

(2) The report shall be sent to the Centre within 30 days after the person or entity or any of its employees or officers first detects a fact respecting a financial transaction or an attempted financial transaction that constitutes reasonable grounds to suspect that the transaction or attempted transaction is related to the commission of a money laundering offence or a terrorist activity financing offence.

REPORT MADE UNDER SECTION 83.1 OF THE CRIMINAL CODE OR UNDER SECTION 8 OF THE REGULATIONS IMPLEMENTING THE UNITED NATIONS RESOLUTIONS ON THE SUPPRESSION OF TERRORISM

10. Subject to section 11, a report made under section 7.1 of the Act shall be sent without delay to the Centre and shall contain the information set out in Schedule 2.

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EXEMPTION

11. (1) Where a transaction is required to be reported under section 7 or 7.1 of the Act, the requirement to report information set out in Schedule 1 or 2 does not apply to a person or entity in respect of information set out in an item of that Schedule 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) Despite subsection (1), in the case of an attempted transaction, the requirement to report information set out in Schedule 1 does not apply to a person or entity in respect of information set out in an item of that Schedule that is marked with an asterisk if, after taking reasonable measures to do so, the person or entity is unable to obtain the information.

SENDING

12. (1) The report referred to in section 9 shall be sent electronically in accordance with guidelines for report submissions that are prepared by the Centre if the sender has the technical capabilities to do so.

(2) The report referred to in section 9 shall be sent in paper format in accordance with guidelines for report submissions that are prepared by the Centre if the sender does not have the technical capabilities to send the report electronically

(3) The report referred to in section 10 shall be sent in paper format in accordance with guidelines for report submissions that are prepared by the Centre.

SUSPICIOUS TRANSACTION OR ATTEMPTED TRANSACTION REPORT

12.1 Every person or entity who submits to the Centre a Suspicious Transaction or Attempted Transaction Report set out in Schedule 1 shall keep a copy of the report.

PRESCRIBED INFORMATION

13. The prescribed information for the purposes of paragraphs 55(7)(e), 55.1(3)(e) and 56.1(5)(e) of the Act is

(a) the following information concerning the client, importer or exporter, or any person acting on their behalf, namely,

(i) their alias, if any,

(ii) their date of birth,

(iii) their address and electronic mail address⁽²⁰⁰⁷⁾,

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(iii.1) their telephone number⁽²⁰⁰⁷⁾.

(iv) their citizenship,

(v) their Record of Landing number, passport number or permanent resident card number, or all three numbers if applicable,

(vi) if the client, importer or exporter is a corporation, the date and jurisdiction of its incorporation and its incorporation number, and

(vii) the name and address of any person or entity on whose behalf the financial transaction ~~is~~ or attempted financial transaction is conducted or on whose behalf the⁽²⁰⁰⁷⁾ importation or exportation is ~~conducted~~ carried out⁽²⁰⁰⁷⁾; and

(viii) the telephone number of the place of business where the financial transaction or attempted financial transaction occurred; and⁽²⁰⁰⁷⁾

(b) in the case of a financial transaction or an attempted financial transaction⁽²⁰⁰⁷⁾, the following information, namely,

(i) the transit and account numbers,

(ii) the full name of every account holder,

(iii) the transaction number, if any,

(iv) the time of the transaction,

(v) the type of transaction, ~~and~~

(vi) the names of the parties to the transaction

(vii) the type of account,

(viii) the name and address of all persons authorized to act in respect of the account, if any, and

(ix) the type of report, as listed in paragraph 54(a) of the Act, from which the information disclosed is compiled⁽²⁰⁰⁷⁾.

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SCHEDULE 1

(Subsection 9(1) and sections 11 and 12.1)

SUSPICIOUS TRANSACTION OR ATTEMPTED TRANSACTION REPORT

PART A

INFORMATION ON PLACE OF BUSINESS WHERE TRANSACTION OR ATTEMPTED TRANSACTION OCCURRED

- 1.* Type of reporting person or entity, as described in paragraphs 5(a) to (h) and (k) to (m) of the Act, and, if reporting person or entity is referred to in paragraph (5)(i) or (j) of the Act, type of business, profession or activity of reporting person or entity, as described in sections 3 to 8 of these Regulations
- 2.* Identification number of place of business where transaction or attempted transaction occurred (e.g., institution's identification number, licence number or registration number), if applicable
- 3.* Full name of reporting person or entity
- 4.* Full address of place of business where transaction or attempted transaction occurred
- 5.* Name and telephone number of contact person

PART B

INFORMATION ON TRANSACTION OR ATTEMPTED TRANSACTION

- 1.* Date of transaction or attempted transaction or night deposit indicator
2. Time of transaction or attempted transaction
3. Posting date (if different from above)
- 4.* Purpose and details of the transaction or attempted transaction, including type of funds, amount of transaction or attempted transaction, currency of transaction or attempted transaction, and, if applicable, name and number of each other institution and name and account number of each other person or entity
- 5.* Disposition of funds, amount of disposition, currency of disposition, and, if applicable, name and number of each other institution and name, account number and policy number of each other person or entity
- 6.* Method by which the transaction was conducted or attempted (in branch or office, ABM, armoured car, mail deposit, courier, telephone or other)

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7. Identification number of person who first detected a fact respecting a suspicious transaction or attempted transaction
- 8.* Whether the transaction has been completed or not
- 9.* If transaction not completed, the reason why it was not completed

PART C

ACCOUNT INFORMATION (IF APPLICABLE)

- 1.* Account number
- 2.* Branch number or transit number
- 3.* Type of account (personal, business, trust or other)
- 4.* Full name of each account holder
- 5.* Type of currency of the account
6. Date account opened
7. Date account closed, if applicable
- 8.* Status of account (active, inactive or dormant)

PART D

INFORMATION ON PERSON CONDUCTING OR ATTEMPTING TO CONDUCT TRANSACTION

1. Person's full name
- 2.* Client number provided by reporting person or entity, if applicable
3. Person's full address
4. Person's country of residence
5. Person's personal telephone number
6. Person's citizenship
7. Person's type of identifier (e.g., driver's licence, birth certificate, provincial health insurance card — if such use of the card is not prohibited by the applicable provincial law —, passport, Record of Landing or permanent resident card) and identifier number
8. Place of issue of person's identifier (province or state, country)
9. Person's date of birth
10. Person's occupation

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11. Person's business telephone number
12. Person's employer
13. Employer's full business address
14. Employer's business telephone number

PART E

INFORMATION ON ENTITY ON WHOSE BEHALF TRANSACTION IS CONDUCTED OR
ATTEMPTED (IF APPLICABLE)

1. Entity's full name
2. Full name of each person — up to three — who is authorized to bind the entity or act with respect to the account
3. Entity's type of business
4. Entity's full address
5. Entity's telephone number
6. Entity's incorporation number and place of issue, if applicable

PART F

INFORMATION ON PERSON ON WHOSE BEHALF TRANSACTION IS CONDUCTED OR
ATTEMPTED (IF APPLICABLE)

1. Person's full name
2. Person's full address
3. Person's personal telephone number
4. Person's business telephone number
5. Person's citizenship
6. Person's type of identifier (e.g., driver's licence, birth certificate, provincial health insurance card — if such use of the card is not prohibited by the applicable provincial law —, passport, Record of Landing or permanent resident card) and identifier number
7. Place of issue of person's identifier (province or state, country)
8. Person's date of birth
9. Person's country of residence
10. Person's occupation

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11. Person's employer
12. Employer's full business address
13. Employer's business telephone number
14. Relationship of person conducting the transaction or attempted transaction to the person on whose behalf the transaction is conducted

PART G

DESCRIPTION OF SUSPICIOUS ACTIVITY

- 1.* Detailed description of the grounds to suspect that the transaction or attempted transaction is related to the commission of a money laundering offence or terrorist activity financing offence

PART H

ACTION TAKEN (IF APPLICABLE)

- 1.* Any other action taken as a result of suspicion

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SCHEDULE 2
(Sections 10 and 11)

TERRORIST GROUP OR LISTED PERSON PROPERTY REPORT

Part A

INFORMATION ON THE PERSON OR ENTITY FILING THIS REPORT

- 1.* Type of reporting person or entity
- 2.* Reporting person or entity's identifier number (if applicable)
- 3.* Full name of reporting person or entity
- 4.* Full address of reporting person or entity
- 5.* Name and telephone number of contact person

Part B

REASON FOR FILING THIS REPORT

- 1.* Reason for filing the report
2. How the reporting person or entity came to know that the property in question is owned or controlled by or on behalf of a terrorist group or listed person
3. Full name of terrorist group or listed person that owns or controls the property or that the property is owned or controlled on behalf of
4. Full address of terrorist group or listed person referred to in item 3
5. Phone number of terrorist group or listed person referred to in item 3
6. Full name of person or entity that owns or controls the property on behalf of the terrorist group or listed person (if applicable)
7. Full address of person or entity referred to in item 6
8. Phone number of person or entity referred to in item 6

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Part C

INFORMATION ON THE PROPERTY

- 1.* Type of property
2. Type of property identifier
3. Property identifier number
- 4.* Approximate or actual value of property
5. Description of property

Part D

ACCOUNT INFORMATION (IF APPLICABLE)

- 1.* Account number
- 2.* Branch or transit number
- 3.* Type of account (personal, business, trust or other)
- 4.* Type of currency of the account
- 5.* Full name of each account holder
6. Date account opened
7. Date account closed, if applicable
- 8.* Status of account (active, inactive or dormant)

Part E

INFORMATION ON THE TRANSACTION OR PROPOSED TRANSACTION (IF APPLICABLE)

- 1.* Date of transaction or night deposit indicator
2. Time of transaction
3. Posting date (if different from above)
- 4.* Purpose and details of the transaction, including type of funds or assets involved, amount of transaction, currency of transaction, and, if applicable, name and number of each other institution and name and account number of each other person or entity
- 5.* Disposition of funds, amount of disposition, currency of disposition, and, if applicable, name and number of each other institution and name, account number and policy number of each other person or entity

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- 6.* Method by which the transaction is conducted or proposed to be conducted (in branch or office, ABM, armoured car, mail deposit, courier, telephone or other)
7. Identification number of person who first detected a transaction with respect to property owned or controlled by or on behalf of a terrorist group or listed person

Part F

INFORMATION ON PERSON CONDUCTING OR PROPOSING TO CONDUCT THE TRANSACTION (IF APPLICABLE)

1. Person's full name
2. Person's alias, if any
3. Client number provided by reporting person or entity, if applicable
4. Person's full address
5. Person's country of residence
6. Person's citizenship
7. Person's personal telephone number
8. Person's type of identifier (e.g., driver's licence, birth certificate, provincial health insurance card — if such use of the card is not prohibited by the applicable provincial law —, passport, Record of Landing or permanent resident card) and identifier number
9. Place of issue of person's identifier (province or state, country)
10. Person's date of birth
11. Person's occupation
12. Person's business telephone number
13. Person's employer
14. Employer's full business address
15. Employer's business phone number

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Part G

INFORMATION ON ENTITY ON WHOSE BEHALF THE TRANSACTION IS CONDUCTED OR PROPOSED TO BE CONDUCTED (IF APPLICABLE)

1. Full name of entity
2. Full name of each person — up to three — who is authorized to bind the entity or act with respect to the account
3. Full address of entity
4. Telephone number of entity
5. Incorporation number and place of issue, if applicable
6. Entity's type of business

Part H

INFORMATION ON PERSON ON WHOSE BEHALF TRANSACTION IS CONDUCTED OR PROPOSED TO BE CONDUCTED (IF APPLICABLE)

1. Person's full name
2. Person's alias, if any
3. Person's full address
4. Person's personal telephone number
5. Person's business telephone number
6. Person's type of identifier (e.g., driver's licence, birth certificate, provincial health insurance card — if such use of the card is not prohibited by the applicable provincial law —, passport, Record of Landing or permanent resident card) and identifier number
7. Place of issue of person's identifier (province or state, country)
8. Person's date of birth
9. Person's country of residence
10. Person's citizenship
11. Person's occupation
12. Person's employer
13. Employer's full business address
14. Employer's business telephone number
15. Relationship of person conducting or proposing to conduct the transaction to the person on whose behalf the transaction is conducted