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Anti-money laundering in Canada: A guide to the June 1, 2021 changes

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As new technology introduces new means of transferring funds and generates unprecedented volumes of transactions globally, regulators are watching closely as opportunities for illicit transactions also emerge.

To address these and other related developments, a number of amendments to the regulations under the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (PCMLTFA) were published in the Canada Gazette in 2019 and 2020, the bulk of which will come into force on June 1, 2021. Taken together, these amendments effect a sizeable overhaul of the anti-money laundering and anti-terrorist financing (AML/ATF) regulatory landscape in Canada.

Osler's Financial Services Regulatory Group has developed a client guide with a focus on the changes coming into force on June 1 that will be of most interest to entities with obligations under the PCMLTFA. The guide is divided into two parts: Part 1 sets out changes of general application while Part 2 sets out sector-specific changes.

We have made updates, which are accessible through the links below, to reflect additional guidance released by FINTRAC on May 4, 2021 regarding third party identification requirements, methods for identifying individuals and entities, the travel rule, the 24-hour rule, prepaid products and accounts, terrorist property reporting, and compliance program requirements. These new and updated guidance documents will also come into force on June 1, 2021.

At a high level, the changes coming into force on June 1 touch on the following areas:

- new virtual currency obligations for all reporting entities
- new definitions under the PCMLTFA
- identification and reporting obligations regarding politically exposed persons and heads of international organizations
- obligations for foreign money services businesses
- prepaid card obligations for financial entities
- beneficial ownership reporting obligations for all reporting entities
- recordkeeping and reporting changes for all reporting entities
- the 24-hour rule
- business relationship screening requirements
- ongoing monitoring requirements
- identification methods for know-your-client checks

STRUCTURE OF THIS GUIDE

Part 1 sets out changes of general application that will apply to all Reporting Entity sectors as of June 1, 2021. Part 2 sets out sector-specific changes that apply to certain Reporting Entity sectors as of June 1, 2021. Please note that we have not identified every change; the focus of this guide is rather on those changes that will be most important to entities with obligations under the PCMLTFA.

We have also created a consolidated list of links to the new and updated guidance from FINTRAC which may be accessed here.

Download" [Anti-money laundering in Canada: A guide to the June 1, 2021 changes](#) [PDF]

PART 1: CHANGES AFFECTING ALL REPORTING ENTITIES

- Beneficial ownership requirements and proof of corporate existence
- Screening for politically exposed persons and heads of international organizations
- Ongoing monitoring requirements
- The 24-hour rule
- Recordkeeping: Unsuccessful reasonable measures
- Methods to identify individuals and entities
- Compliance program requirements
- Third party determination requirements
- Terrorist property reporting

[Learn more about changes affecting all reporting entities](#)

PART 2: SECTOR-SPECIFIC PCMLTFA CHANGES

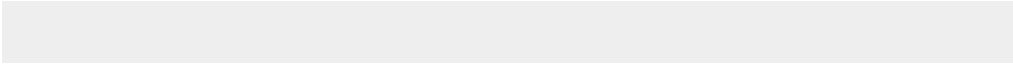
Accountants and accounting firms

[Learn more about specific changes for accountants and accounting firms.](#)



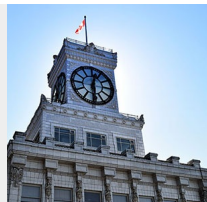
Agents of the Crown

[Learn more about specific changes for agents of the Crown.](#)



British Columbia notaries

[Learn more about specific changes for British Columbia notaries.](#)



Casinos

[Learn more about specific changes for casinos.](#)



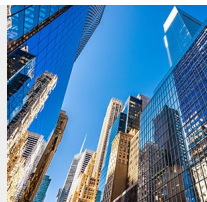
Dealers in precious metals and stones (DPMS)

[Learn more about specific changes for dealers in precious metals and stones.](#)



Financial entities

[Learn more about specific changes for financial entities.](#)



Life insurance companies, brokers and agents

[Learn more about specific changes for insurance companies, broker and agents.](#)



Foreign and domestic money services businesses (MSBs)

[Learn more about specific changes for money services businesses \(MSBs\).](#)



Real estate brokers, sales representatives & developers

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Securities dealers

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