

Update on FINTRAC's Compliance Activities during COVID-19

In light of the COVID-19 pandemic, FINTRAC communicated on its website, on [March 25, 2020](#) and on [April 23, 2020](#), its expectations regarding the compliance of reporting entities with their obligations outlined in the *Proceeds of Crime, Money Laundering and Terrorist Financing Act* (PCMLTFA) and associated regulations. FINTRAC recognized that reporting entities may face challenges in fully meeting some of their obligations during these unprecedented times and therefore reprioritized its supervisory work in last few months, including deferring desk and onsite examinations. In addition, FINTRAC provided temporary flexibility in relation to obligations related to the verification of identity of individuals and entities.

As provinces continue to reopen various sectors in the economy in the coming weeks, FINTRAC communicated on its website on [July 27, 2020](#) its plan to engage with a number of reporting entities, including in the real estate sector, to resume the conduct of desk examinations. Some brokerages may have already received a call to schedule an exam. It should be noted that, at this time, FINTRAC will not conduct onsite examinations until further restrictions are lifted and public health authorities issue additional guidance.

The purpose of [FINTRAC's examinations](#) is to [assess your business's compliance program and its effectiveness](#), your compliance controls and your adherence to your obligations outlined in the PCMLTFA and associated regulations. As FINTRAC starts to schedule desk examinations, it will continue to be flexible and reasonable by:

- providing additional time where required to prepare necessary documentation and respond to our requests; and
- considering the impact and challenges caused by the COVID-19 pandemic when assessing the ability of a reporting entity to update policies and procedures; in adhering with interim COVID-19 related measures; and in effectively fulfilling certain time-bound obligations such as undertaking the two-year effectiveness review.

As communicated on April 23, in cases where there is an impact on the ability of a reporting entity to meet a given obligation, a record indicating why this is the case (for example, a memo outlining reduced staffing levels) should be kept and, where possible, should include any measures taken to mitigate the risk of non-compliance. This information will be taken into account in future examinations.

FINTRAC is also committed to supporting reporting entities in managing their money laundering and terrorism financing risks during these unprecedented times. Consequently, it issued a [Special Bulletin on COVID-19: Trends in Money Laundering and Fraud](#) on its website on July 16, 2020. This special bulletin is based primarily on FINTRAC's analysis of COVID-19-related transaction reporting and the Canadian Anti-Fraud Centre's (CAFC) analysis of fraud reporting, and it highlights areas that may pose an increased money laundering risk associated with the exploitation of the pandemic situation.

For any updates on FINTRAC's compliance activities during this pandemic, please consult the following link: <https://www.fintrac-canafe.gc.ca/covid19/interim-guidance-eng>. For any other urgent enquiries, please contact your regional compliance officer or send an email to guidelines-lignesdirectrices@fintrac-canafe.gc.ca. For technical assistance, please contact FINTRAC's Tech Support team at the following email: tech@fintrac-canafe.gc.ca. Note that depending on the volume of requests, it may take more time than usual for FINTRAC to respond.