



Mutual Fund Dealers Association of Canada
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MFDA Bulletin

Enforcement

For Distribution to Relevant Parties within your Firm

Cheque Fraud Reported

The MFDA has recently been informed that several attempts have been made to clear fraudulent cheques through an affiliated company of a MFDA Member by unknown persons. These cheques appeared to be valid but upon closer inspection and through reconciliation of bank accounts, they were found to be fraudulent.

MFDA Rule 2.9 requires that “Every Member shall establish and maintain adequate internal controls as prescribed by the Corporation from time to time”.

MFDA Internal Control Policy Statement 4 – Cash and Securities outlines the necessity to safeguard both firm and client securities and cash. Among other things, conducting the required monthly cheque reconciliation and proper segregation of duties are intended to help Members prevent and detect theft and fraud.

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