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MFDA Bulletin

Membership Information

For Distribution to Relevant Parties within your Firm

The Proceeds of Crime (Money Laundering) and Terrorist Financing Act (“Act”) and Regulations (“Regulations”) – Changes to Obligations for Reporting Entities (Securities Dealers)

Amendments have been made to the *Act* and *Regulations* that will change certain obligations of securities dealers (including MFDA Members). Final details with respect to these amendments as well as new regulations were recently published.

Changes applicable to securities dealers fall into four categories and, unless otherwise specified, come into effect on June 23, 2008.

1. Reporting:
 - Suspicious transaction reports; and
 - Large cash transaction reports.

2. Record Keeping and Client Identification:
 - General exemptions;
 - Client identification requirements;
 - Beneficial ownership requirements;
 - Politically exposed foreign persons;
 - Other changes at account opening; and
 - Date of birth on record.

3. Changes Affecting Your Compliance Regime;

4. Foreign Subsidiaries or Branches.

Further Information

A useful summary of the changes that will apply has been posted to the FINTRAC website. Members are encouraged to review this summary to gain a better understanding of their revised reporting obligations.

For further information with respect to the changes noted above, please go to the FINTRAC website at: <http://www.fintrac-canafe.gc.ca/re-ed/sc/PDF/sd-cvm-eng.pdf>.

More information about each change will be available in updates to FINTRAC's guidelines available on FINTRAC's Web site throughout the fall of 2007 and the winter of 2008.