

Your AML Obligations and Tools

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Today's Speakers



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Agenda

- 1 PCMLTFA CHANGES**
- 2 RESOURCES AND TOOLS**
- 3 WORKING WITH CONSUMERS**
- 4 SEARCHING LOTR**
- 5 MANAGING BROKER CONSIDERATIONS**
- 6 NEXT WEBINAR PREVIEW**
- 7 QUESTIONS & ANSWERS**

Money Laundering & the changes to PCMLTFA



On **June 1**, regulatory amendments to the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (PCMLTFA) comes into effect. On **November 30**, the *Land Owner Transparency Act* (LOTA) came into effect.

PCMLTFA and your obligations

- Identify warning signs and “red flags” for money laundering in real estate transactions
- Know your client (KYC)
- Business relationship reporting/monitoring requirements, which are currently created after 2 or more transactions
- Report suspicious transactions (STR)
- Report suspected terrorist property
- Report large cash transactions over \$10,000 (through a single or several payments)

Changes to PCMLTFA from June 1

Beneficial Ownership

Beneficial owners are the actual individuals who own or control the entity, under the legislation such as:

- Trustees
- Known beneficiaries and settlors of a trust
- Who directly or indirectly own or control 25% or more of a corporation or an entity other than a corporation or trust, such as a partnership

Changes to PCMLTFA continued...

Business Relationships

- Established between a reporting entity (as in a real estate professional) and a client
- Established the first time that you are required to verify a client's identity
- Once a business relationship is formed, you have ongoing monitoring obligations (5 years from the last transaction)

Other PCMLTFA changes...

- Determine whether the person is a Politically Exposed Person / Head of International Organization
- Reporting timing for suspicious transactions
- Reporting requirements
- New Forms from FINTRAC (coming soon)

Resources & Tools



RECBC's Regulatory Resources

Regulatory Information

Easy-to-read explanations of the requirements for real estate professionals under *the Real Estate Services Act*, Regulation, Rules and other applicable legislation.

Regulatory information for AML, LOTA, LTSA and the Corporate Registry will be available on the Knowledge Base.

Guidelines

Practical applications of the Regulatory Information with RECBC's suggested best practice interpretations to assist real estate professionals.

The AML Guideline provides additional guidance to assist with your PCMLTFA obligations.

Tools to assist with PCMLTFA obligations

Land Title and
Survey Authority
Search (LTSA)

Corporate
Registry

Land Owner
Transparency
Registry (LOTR)

Working with Consumers





Plan for a successful client conversation



BE PREPARED

How we say it matters.

Explain the "Why" to your client.



UNDERSTAND

"Know your Client"

Follow the regulatory guidelines.



EVALUATE

Assess the facts.

Use your professional judgement.

Buyer Client

**As a real estate professional,
you are responsible for
identifying clients for:**

- Receipt of funds
- Client information records
- Large cash transactions
- Suspicious transactions

**What tools should you use
to assist you with these
obligations?**

- Perform a LOTR search on your client's name
- Perform a corporate registry search if your client is a corporation

Seller Client

As a real estate professional, you are responsible for identifying clients for:

- Receipt of funds
- Client information records
- Large cash transactions
- Suspicious transactions

What tools should you use to assist you with these obligations?

- Perform a title search on the property
- Perform a LOTA search on your client's name
- Perform a LOTR search using the PID of the property
- Perform a corporate registry search if your client is a corporation

Unrepresented Seller

- Perform a title search on the property
- Perform a LOTR search on the seller's name and on the PID
- Perform a corporate registry search if the seller is a corporation

Unrepresented Buyer

- Perform a LOTR search on the buyer's name
- Perform a corporate registry search if the buyer is a corporation

LOTR Search



Search Land Owner Transparency Registry

Search by

☒ Name of individual ☐ Name of corporation ☐ Parcel identifier (PID)

Adams, Jennifer



Use this format: "Last name, given names or initials" (i.e. Smith, John)

3 results found for: **Adams, Jennifer**

Select the individuals whose primary identification information you want to order.

PID ?	<input type="checkbox"/>	Name ▼	City (Principal Residence)	Citizenship / Residency	Type of Interest ?	Reporting Body ?
*****401	<input type="checkbox"/>	Adams, Jennifer	Vancouver	*****	*****	*****
*****502	<input type="checkbox"/>	Adams, Jennifer	Vancouver	*****	*****	*****
*****627	<input type="checkbox"/>	Adams, Jennifer	Berlin	*****	*****	*****



Land Owner
Transparency
Registry

Search Result for Individual: Adams, Jennifer

File Reference: OA-200648

Accessed on 2021-05-12, 16:11:00

Requested by Marrisa Gold

Relevant PID	Reporting body
097-275-502	Maylord PLC
<div> <div> <div> <div> <div></div> <div>Interest Holder</div> </div> </div> <div>Jennifer Adams</div> </div> </div> <div> <div>Principal Residence</div> <div> <div>City</div> <div>Province</div> <div>Vancouver</div> <div>British Columbia</div> </div> <div> <div>On the date of registration, is the individual a Canadian citizen or permanent resident as defined in the <i>Immigration and Refugee Protection Act (Canada)</i>?</div> <div>Yes</div> </div> </div>	

This information is collected by the Land Title and Survey Authority of British Columbia under s. 26(a) and s. 26(c) of the *Freedom of Information and Protection of Privacy Act* and will be used for general administration of the *Land Owner Transparency Act* and its regulations. Should you have any questions about the collection of this personal information please contact:

Administrator, Land Owner Transparency Act
Land Title and Survey Authority of British Columbia
Suite 500 – 11 Eighth Street, New Westminster, BC V3M 3N7
T: 1-877-577-5872 or 604-630-9630 Option 3
E: LOTR@ltsa.ca

Search by

☐ Name of individual ☒ Name of corporation ☐ Parcel identifier (PID)

Wuckert



(i.e. ABC Corporation)

4 results found for Name of corporation: **Wuckert**

Select the corporations whose primary identification information you want to order.

PID	<input type="checkbox"/>	Name ▼	Type of Interest	Reporting Body
*****931	<input type="checkbox"/>	Wuckert PLC	*****	*****
*****988	<input type="checkbox"/>	Wuckert-Lawson	*****	*****
*****129	<input type="checkbox"/>	Wuckert Group	*****	*****
*****857	<input type="checkbox"/>	Wuckert Alliance	*****	*****



Land Owner
Transparency
Registry

Search Result for Corporation: Wuckert

File Reference: OA-200648

Accessed on 2021-05-12, 16:11:00

Requested by Marrisa Gold

Relevant PID

843-652-931

Reporting body

Wuckert PLC

Relevant Corporation

Wuckert PLC

Office Addresses

Registered office address

**350 Clinton Ave
Unit 607
Vernon, British Columbia
V0V 0V0, Canada**

Head office address

**590 Clark Dr
Unit 201
Vancouver, British Columbia
V0V 0V0, Canada**

Jurisdiction of incorporation

Vernon

Continued jurisdiction

Vancouver

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Search by

- ☐ Name of individual
- ☐ Name of corporation
- ☒ Parcel identifier (PID)

097275502


Q

(i.e. 123-456-789)

1 result found for: 097275502

Select the PIDs whose reporting bodies and interest holders primary identification information you want to order.

<input type="checkbox"/>	PID ▼	Reporting Body	Name of Interest Holders or Settlor	City (Principal Residence)	Citizenship / Residency	Type of Interest
<input type="checkbox"/>	097-275-502	A*	*****	*****	*****	*****
<input type="checkbox"/>	097-275-502	X*	*****	*****	*****	*****



Land Owner
Transparency
Registry

Search Result for PID: 097275502
File Reference: OA-200648

Accessed on 2021-05-12, 16:11:00
Requested by Marrisa Gold

Relevant PID

097-275-502

Reporting body

ABC Corporation

Relevant Corporation

ABC Corporation

Office Addresses

Registered office address

350 Clinton Ave
Unit 607
Vernon, British Columbia
V0V 0V0, Canada

Head office address

590 Clark Dr
Unit 201
Vancouver, British Columbia
V0V 0V0, Canada

Jurisdiction of incorporation

Vernon

Continued jurisdiction

Vancouver

Relevant PID

097-275-502

Reporting body

ABC Corporation

Interest Holder

Wayne Do

Principal Residence

City

Vancouver

Province

British Columbia

On the date of registration, is the individual a Canadian citizen or permanent resident as defined in the *Immigration and Refugee Protection Act (Canada)*?

Yes

Managing Broker Considerations



Professional and Ethical Obligations

- Look for money laundering red flags
- Don't overlook some red flags around ownership
- Learn to recognize a suspicious transaction and report it to FINTRAC

Failure to Comply

- Investigations and sanctions by FINTRAC and/or RECBC for failing to comply fully with PCMLTFA obligations
- Reputational harm to the real estate professional, brokerage, and industry through negative consumer reviews and complaints to the media

Requirements for Brokerages

Policies and Procedures

- On using the tools (LOTA, LTSA and Corporate Registry) to fulfill the AML obligations under legislation

Brokerage compliance program

- Check the FINTRAC website on what information should be included
- Include more specific information on risk assessment procedures and reporting/record keeping requirements.

Next Webinar





Thursday, June 24

Meeting professional obligations and providing services that meet high standards of professionalism and ethics in a busy market.

QUESTIONS & ANSWERS



Q: Will real estate professionals have to search LOTR as they do LTSA.ca?

A: There is no specific rule that states you must do a LTSA or LOTR search. As a real estate professional, you have an obligation under PCMLTFA to "know your client." LTSA and LOTR are tools that you can use to assist you in this obligation.

Q: Should real estate professionals keep LOTR search results in listing/sales files?

A: Yes. Just as you would retain other information that you gather during a transaction, a real estate professional should include the LOTR search in their transaction file.

Q: If you discover that a property has a beneficial owner who is not your client, does that person become your client?

A: No. If you discover that other parties hold an interest in a property you are listing for a client, it does not automatically make that party your client.

AUDIENCE QUESTIONS



Thank you

For information on
practice issues, contact
RECBC's Professional
Standards Advisors
advisor@recbc.ca

