

Centre d'analyse des opérations
et déclarations financières
du Canada

Annual Report 2018–19



Safe Canadians, Secure Economy



Canada

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2018–19 HIGHLIGHTS

FINANCIAL INTELLIGENCE

2,276

UNIQUE DISCLOSURES OF FINANCIAL INTELLIGENCE

to police, law enforcement and national security agencies

1,702

disclosures related to money laundering

373

disclosures related to terrorist activity financing and threats to the security of Canada

201

disclosures related to money laundering, terrorist activity financing and threats to the security of Canada

TOP 3

PREDICATE OFFENCES

RELATED TO FINANCIAL INTELLIGENCE DISCLOSURES

32%

Fraud

30%

Drugs

11%

Tax Evasion

RECIPIENTS

OF FINTRAC FINANCIAL INTELLIGENCE DISCLOSURE PACKAGES

1,509

Royal Canadian Mounted Police

795

Municipal Police

502

Canadian Security Intelligence Service

PROVINCES

RECEIVING DISCLOSURE PACKAGES

Ontario

**British
Columbia**

Alberta



CONTRIBUTED TO 296 PROJECT-LEVEL INVESTIGATIONS
across Canada



RECEIVED 2,754 VOLUNTARY INFORMATION RECORDS
from police, law enforcement and national security agencies

STRATEGIC INTELLIGENCE



PUBLISHED

Terrorist Financing Assessment: 2018

Operational Alert: Laundering of the Proceeds of Romance Fraud

Operational Alert: Professional Money Laundering Through Trade and Money Services Businesses

STRATEGIC COORDINATION AND COLLABORATION

SUPPORTED THE DEVELOPMENT OF

NEW REGULATIONS

by the Department of Finance Canada

COMPLIANCE

LAUNCHED A SIGNIFICANT TRANSPARENCY INITIATIVE, PUBLISHING:

- FINTRAC's Compliance Framework
- FINTRAC Assessment Manual
- The Centre's revised Administrative Monetary Penalties policy
- Voluntary Self-Declaration of Non-Compliance notice
- New suspicious transaction reporting guidance tailored specifically to each business sector



497 compliance examinations conducted across the country



7 non-compliance disclosures provided to police



5,991 responses to enquiries from businesses



401 policy interpretations issued to assist with compliance



135 outreach activities with businesses and stakeholders

GLOBAL LEADERSHIP

WORKED WITH

international partners to combat money laundering and terrorism financing



225 queries received from foreign financial intelligence units

149 queries sent to foreign financial intelligence units

253 disclosures to foreign financial intelligence units

DELIVERED

a presentation on provisional results of the Financial Action Task Force's project on the Financial Flows from Human Trafficking at the Joint Experts Meeting

PARTICIPATED

in a Five Eyes International Supervisors Forum Plenary in Melbourne, Australia

SUPPORTED

the United Nations Office on Drugs and Crime's workshop on human trafficking and migrant smuggling

CORPORATE STRENGTH

- **DEVELOPED FINTRAC'S STRATEGIC PLAN 2019–24 WITH A NEW VISION**
Safe Canadians, Secure Economy: Contributing to the safety of Canadians and the security of the economy, as a trusted leader in the global fight against money laundering and terrorist activity financing
- **LAUNCHED A COMPREHENSIVE PUBLIC SERVICE EMPLOYEE SURVEY ACTION PLAN** to ensure FINTRAC remains an employer of choice
- Created FINTRAC's **OMBUDS OFFICE FOR WORKPLACE WELLNESS**
- **IMPLEMENTED A NEW GOVERNANCE STRUCTURE** to enhance transparency in decision-making



MESSAGE FROM THE DIRECTOR AND CHIEF EXECUTIVE OFFICER



I am proud to share the results that FINTRAC achieved in 2018–19 as part of Canada's broader Anti-Money Laundering and Anti-Terrorist Financing Regime. These results are helping to protect the safety of Canadians and the security of our economy.

With the information that FINTRAC receives from Canadian businesses, we were able to provide 2,276 unique disclosures of actionable financial intelligence last year in support of investigations related to money laundering, terrorist activity financing and threats to the security of Canada. A disclosure can pertain to an individual or a wider criminal network. The number of disclosures that we generate for Canada's police, law enforcement and national security agencies has increased by more than 80 percent over the past five years. More importantly, these disclosures are helping to safeguard Canadians.

In June 2018, the Toronto Police Service acknowledged the value of FINTRAC's financial intelligence in Project Patton, a nine-month investigation focused on the criminal street gang 'The Five Point Generalz'. Following the execution of 53 search warrants, more than a thousand charges were laid against 75 individuals, 78 firearms were seized, and \$1.2 million of fentanyl, carfentanil, cocaine and heroin was taken off the streets of Toronto and other Canadian communities.

This is just one example of the nearly 300 project-level investigations that we supported across the country last year. In fact, Canada's police, law enforcement and national security agencies are seeking our financial intelligence in record numbers. FINTRAC received 2,754 voluntary information records from these agencies in 2018–19, nearly doubling in number over the past five years. These records contain information on alleged criminals and terrorist financiers and are often the starting point for our analysis and the financial intelligence that we are able to generate and disclose.

At the same time, we have also significantly increased the number of proactive disclosures that we provide to Canada's police, law enforcement and national security agencies, bringing their attention to potential money laundering and terrorist activity financing that may not have been on their radar.

The results that we achieve for Canadians would not be possible without the dedicated efforts of businesses across the country. We are committed to working with these businesses to ensure that they understand, and are able to comply with, their legal obligations. We are also committed to engaging them transparently and with an open mind as we look to reduce burden and further strengthen our program.

As part of a broader transparency initiative last year, we published our Compliance Framework, which captures the guiding principles that shape our supervision program. It allows businesses, with just one click, to access the information they need. We also shared our first-ever FINTRAC Assessment Manual, which provides a detailed, plain language account of our overall assessment process, the phases of an examination and the methods that we use to assess compliance with the Act. In addition, we launched our revised Administrative Monetary Penalties policy, outlining very clearly our new method of calculating penalties for non-compliance with the Act and associated Regulations.

Over the past year, we also consulted extensively with businesses and their associations to revise our suspicious transaction reporting guidance. In addition to making it clearer and more concise, we also provided money laundering and terrorist financing indicators specific to each reporting sector to make it easier for businesses to fulfill their obligations.

In 2018–19, we continued to provide Canadian businesses with valuable strategic financial intelligence, including operational briefs and alerts, to support them with their risk assessments and in fulfilling their reporting obligations. In December, we published our 2018 *Terrorist Financing Assessment*, which provides a baseline assessment of the terrorist activity financing risks presented by various countries and by terrorist organizations within those countries. The assessment's financial and geographic indicators, in particular, will assist Canadian businesses in better identifying and reporting suspected terrorist activity financing to FINTRAC.

The key to our success has been our focus on collaboration and strategic information sharing with our regulatory partners, thousands of Canadian businesses, Canada's police, law enforcement and national security agencies, and our international allies. In particular, the effective coordination that we have seen between FINTRAC, police and businesses in our private-public partnerships on money laundering related to human trafficking, romance fraud and the trafficking of fentanyl is proof of how well the Regime can and does work for Canadians.

This is a critical time for Canada's Anti-Money Laundering and Anti-Terrorist Financing Regime, particularly with the tremendous technological change that is taking place, including in the financial sector. With this in mind, we were pleased to finalize our new, employee-led FINTRAC Strategic Plan 2019–24. Our plan introduces a bold new vision for the Centre: *Safe Canadians, Secure Economy*. It also provides a clear and focused roadmap that will guide our efforts going forward and ensure our continued leadership and success for many years to come.

I would like to recognize and thank our knowledgeable and dedicated employees for their hard work and the impressive results that you will see in our annual report. They truly are experts in their field and I feel proud and fortunate to work with such a talented team.

Nada Semaan
Director and Chief Executive Officer



BUDGET 2019 WILL SEE FINTRAC:

- Increase its outreach and examinations in the real estate and casino sectors with a focus on the province of British Columbia
- Expand its contributions to public-private sector partnerships
- Add Revenu Québec and the Competition Bureau as disclosure recipients
- Improve oversight of modern financial practices related to virtual currencies, foreign money services businesses, pre-paid products and customer identification
- Name publicly all persons and entities that receive an administrative monetary penalty
- Play a role in a new Anti-Money Laundering Action, Coordination and Enforcement (ACE) Team
- Contribute to a new multi-disciplinary Trade Fraud and Trade-Based Money Laundering Centre of Expertise



FINTRAC'S MANDATE

As Canada's financial intelligence unit and anti-money laundering and anti-terrorist financing regulator, FINTRAC helps to combat money laundering, terrorist activity financing and threats to the security of Canada.

The Centre produces actionable financial intelligence in support of investigations of Canada's police, law enforcement and national security agencies in relation to money laundering, terrorist activity financing and threats to the security of Canada. FINTRAC also generates valuable strategic financial intelligence, including specialized research reports and trends analysis, for regime partners and policy decision-makers, businesses and international counterparts that shines a light on the nature, scope and threat posed by money laundering and terrorism financing.

The Centre is able to fulfill its financial intelligence mandate by working with Canadian businesses to ensure compliance with the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*. Compliance with the Act helps to prevent and deter criminals from using Canada's economy to launder the proceeds of their crimes or to finance terrorist activities. It also ensures that the Centre receives the information that it needs to produce financial intelligence for Canada's police, law enforcement and national security agencies.

FINTRAC's financial intelligence is in high demand internationally, as is its supervisory knowledge and expertise. The Centre is regularly asked to lead international conferences and workshops and to contribute to global research projects, training and bilateral and multilateral capacity building initiatives.



WHAT IS TERRORIST ACTIVITY FINANCING?

Terrorist activity financing is the use of funds, property or other services to encourage, plan, assist or engage in acts of terrorism, where the primary motivation is not financial gain.

Two main differences distinguish terrorist activity financing from money laundering:

- Funds can be from legitimate sources, not just criminal acts; and
- Money is the means, not the end — the goal is to use funds to facilitate or implement terrorist activities.



WHAT IS MONEY LAUNDERING?

Money laundering is the process used to disguise the source of money or assets derived from criminal activity. There are three recognized stages in the money laundering process:

- 1. Placement** involves placing the proceeds of crime in the financial system.
- 2. Layering** involves converting the proceeds of crime into another form and creating complex layers of financial transactions to disguise the trail and the source and ownership of funds. This stage may involve transactions such as the buying and selling of stocks, commodities or property.
- 3. Integration** involves placing the laundered proceeds back into the economy to create the perception of legitimacy.

The money laundering process is continuous, with new 'dirty' money constantly being introduced into the financial system.

In fulfilling its core financial intelligence and compliance mandates, FINTRAC is committed to safeguarding the information that it receives and discloses to Canada's police, law enforcement and national security agencies. The Centre understands that the protection of privacy is critical to maintaining Canadians' confidence in FINTRAC and Canada's broader Anti-Money Laundering and Anti-Terrorist Financing Regime.

STRATEGIC PLAN 2019–24

Over the past year, FINTRAC engaged its employees at all levels to discuss and debate innovative ideas, define its ambitions and set collective commitments. This inclusive, employee-led process resulted in the development of the new FINTRAC Strategic Plan 2019–24. The plan will guide the Centre in strengthening its operational effectiveness and fulfilling its vision, *Safe Canadians, Secure Economy: Contributing to the safety of Canadians and the security of the economy, as a trusted leader in the global fight against money laundering and terrorist activity financing.*

The foundation of FINTRAC's strategic plan rests on three key pillars: Promoting a culture of accountability; Preparing the Centre for the future; and Collaborating to strengthen results.

FINTRAC is an organization that values a culture of accountability to each other and to Canadians. Under the first pillar of promoting a culture of accountability, the Centre will maximize the potential of its people by focusing on its current expertise and skills, as well as by encouraging horizontal and agile ways of working, empowering innovative ideas and equipping employees with the tools to foster success. FINTRAC will also renew its emphasis on results and performance to optimize its effectiveness and efficiency in the delivery of its anti-money laundering and anti-terrorist financing mandate.

As the global financial sector is rapidly evolving, becoming increasingly transnational and technologically innovative, the perpetrators of money laundering and terrorist activity financing are also becoming more sophisticated. Under the second pillar of preparing FINTRAC for the future, the Centre will focus on modernizing its workplace to ensure that it has a solid foundation upon which it can explore and implement innovative solutions.

FINTRAC's financial intelligence supports Canada's broader policing, national security, and domestic and foreign policy priorities, including in relation to the links between money laundering and criminal activity and the resourcing of terrorist groups. Under the third pillar, FINTRAC will collaborate to strengthen its results. It is critical that the Centre continue to reach out strategically to businesses, police and law enforcement, international and domestic stakeholders and academia to cultivate these relationships and maximize the value of its contribution and efforts. FINTRAC will also constructively engage stakeholders to find better ways of doing business both externally and cross-government.

Going forward, this new strategic plan will guide the creation of a detailed and transparent annual operational plan and the development of key strategies and activities, including FINTRAC's international engagement, its communications and its recruitment and talent management.



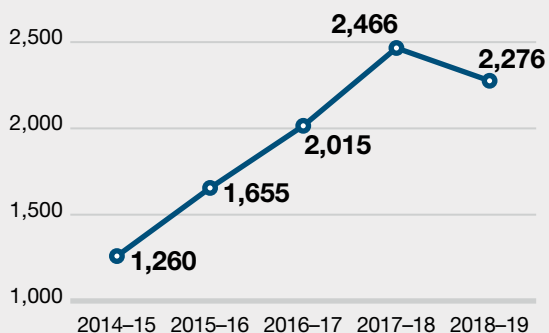
FINANCIAL INTELLIGENCE

As part of its mandate, FINTRAC provides actionable financial intelligence to Canada's police, law enforcement and national security agencies to help them combat money laundering, terrorism financing and threats to the security of Canada.

Often based on hundreds or even thousands of financial transactions, the Centre's financial intelligence disclosures may show links between individuals and businesses that have not been identified in an investigation, and may help investigators refine the scope of their cases or shift their sights to different targets. They are also used by police and law enforcement to put together affidavits to obtain search warrants and production orders.

FINTRAC's financial intelligence is also used to identify assets for seizure and forfeiture, reinforce applications for the listing of terrorist entities, negotiate agreements at the time of sentencing and advance the government's knowledge of the financial dimensions of threats, including organized crime and terrorism.

CASE DISCLOSURES



In 2018–19, FINTRAC provided 2,276 unique disclosures of actionable financial intelligence to its regime partners, an increase of more than 80 percent over the past five years.

Of FINTRAC's unique disclosures, 1,702 were related to money laundering, 373 were related to terrorism financing and threats to the security of Canada, and 201 were related to money laundering, terrorism financing and threats to the security of Canada.

Throughout 2018–19, the Centre's financial intelligence contributed to 296 project-level investigations at the municipal, provincial and federal levels across the country. Canadian police forces — particularly the Royal Canadian Mounted Police — continue to be the main recipients of FINTRAC's financial intelligence.

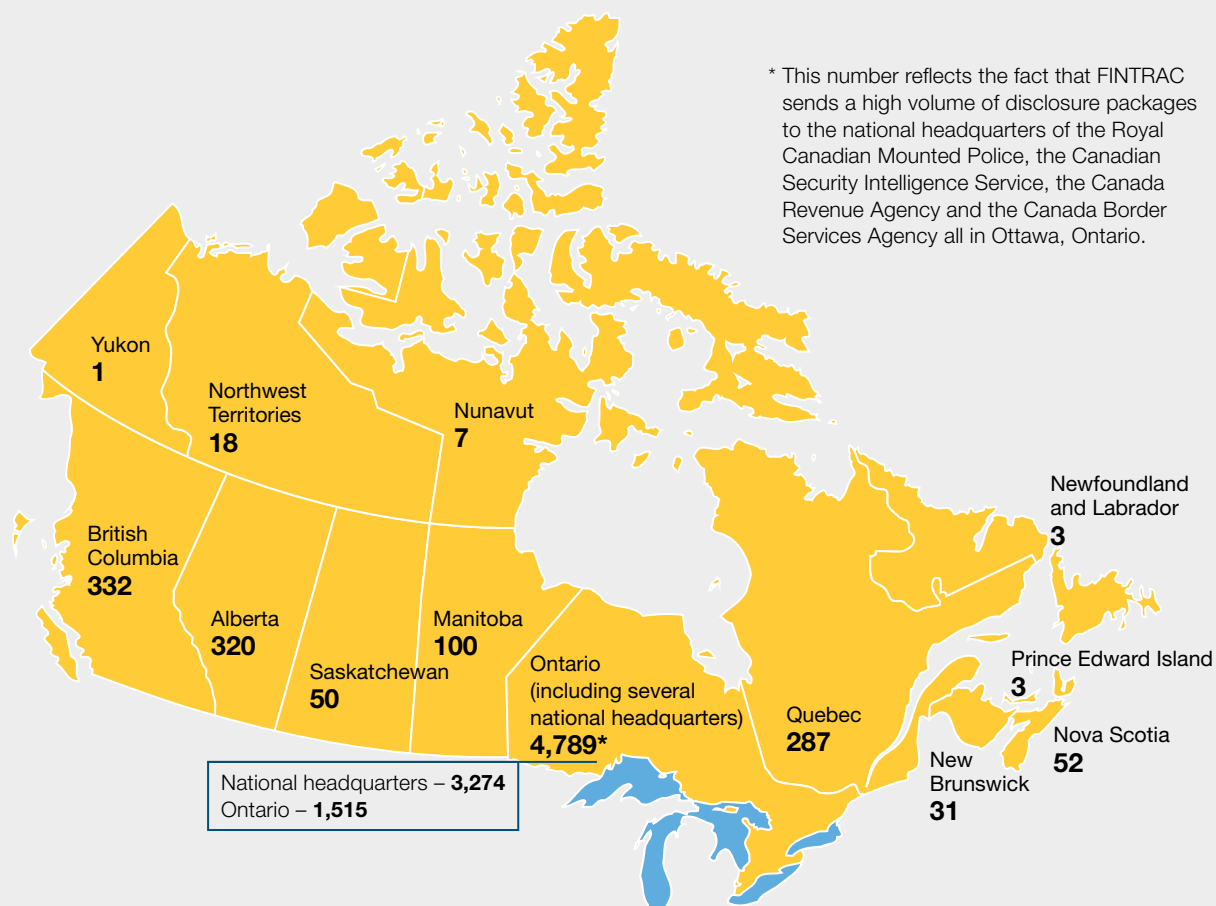
DISCLOSURE PACKAGES BY RECIPIENT: 2018–19

Royal Canadian Mounted Police 1,509	Municipal Police 795	Canadian Security Intelligence Service 502	Provincial Police 455	Canada Border Services Agency 324
Foreign Financial Intelligence Units 253	Canada Revenue Agency 252	Provincial Securities Regulators 74	Communications Security Establishment 20	Canadian Armed Forces 8

Revenu Québec and the Competition Bureau were added as new disclosure recipients of FINTRAC's financial intelligence following changes to the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* proposed in the 2019 Federal Budget.

FINTRAC's disclosures are often provided to a number of agencies simultaneously, when there is appropriate authorization to do so. The ability to provide multiple disclosure packages means that the Centre can help police, law enforcement and national security agencies connect criminal activities and operations across a number of jurisdictions by following the money.

DISCLOSURE PACKAGES BY PROVINCE/TERRITORY: 2018–19

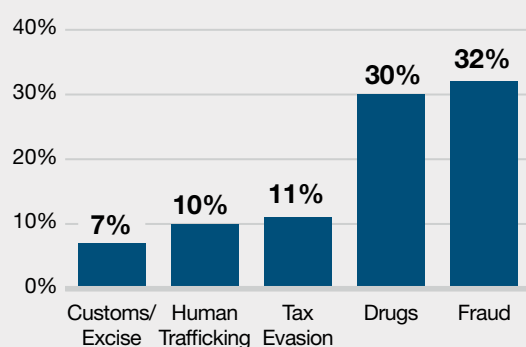


FINTRAC maintains productive working relationships with Canada's police, law enforcement and national security agencies to ensure that its financial intelligence is relevant, timely and valuable. In 2018–19, FINTRAC conducted 165 outreach presentations across the country with disclosure recipients.

The Centre also seeks feedback on its financial intelligence from disclosure recipients at the municipal, provincial and federal levels. Over the past year, FINTRAC received 318 completed disclosure feedback forms, 90 percent of which indicated that FINTRAC's financial intelligence was actionable. This is a clear and significant measure of the effectiveness of, and results achieved by, FINTRAC under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*. Examples of the feedback that the Centre received last year can be found in Annex A.

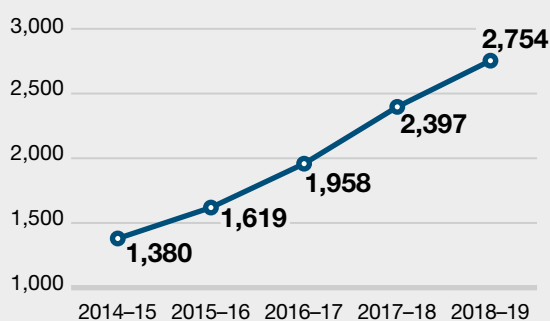
In 2018–19, FINTRAC's financial intelligence was used in a wide variety of money laundering investigations, where the origins of the suspected criminal proceeds were linked to fraud, drug trafficking, tax evasion, corruption, theft and other criminal offences.

TOP FIVE PREDICATE OFFENCES RELATED TO CASE DISCLOSURES: 2018–19



Throughout the year, FINTRAC received 2,754 voluntary information records from Canada's police, law enforcement and national security agencies, as well as from members of the public. The number of records that the Centre receives annually has nearly doubled over the past five years. Voluntary information records provide critical information on alleged criminals and terrorists and are often the starting point for the Centre's analysis. These records are used by FINTRAC to establish connections between individuals and entities and to develop actionable financial intelligence for disclosure recipients. The significant increase in the number of voluntary information records received in recent years, particularly from police at all levels, is a clear indication of the value that is placed on the Centre's financial intelligence.

VOLUNTARY INFORMATION RECORDS



Going forward, FINTRAC will disclose actionable financial intelligence to members of the new Anti-Money Laundering Action, Coordination and Enforcement (ACE) Team, which was announced in the 2019 Federal Budget. This team will bring together dedicated experts from across intelligence and law enforcement agencies to strengthen inter-agency coordination and cooperation and to identify and address significant money laundering and financial crime threats.

FINTRAC will also contribute to the new multi-disciplinary Trade Fraud and Trade-Based Money Laundering Centre of Expertise, which will complement the efforts of the ACE team and allow Canada's Anti-Money Laundering and Anti-Terrorist Financing Regime to more effectively target these growing threats.

RESULTS THROUGH PUBLIC-PRIVATE PARTNERSHIPS

As FINTRAC operationalizes its new vision, *Safe Canadians, Secure Economy*, it will continue to play a role in advancing and supporting innovative project-based public-private sector partnerships. These partnerships are currently aimed at more effectively combatting money laundering associated with human trafficking in the sex trade, romance fraud and the trafficking of illicit fentanyl. By partnering with Canadian businesses and with police and law enforcement agencies across Canada, FINTRAC has been effective in following the money to identify potential subjects, uncovering broader financial connections and providing intelligence to advance national project-level investigations.

With the new funding announced in the 2019 Federal Budget, FINTRAC will expand its contributions to public-private sector partnerships in order to improve the overall effectiveness of Canada's Anti-Money Laundering and Anti-Terrorist Financing Regime.

Project Guardian: Countering the Trafficking of Fentanyl

Canada is facing a nationwide public health crisis as the number of overdose and death cases related to both prescription and illegal opioids, such as fentanyl, continues to increase at an alarming rate. This crisis does not discriminate and, unfortunately, many Canadians know someone who has been affected in one way or another by these substances. The crisis affects Canadians from all walks of life and has touched every part of the country from small towns to large cities.

In response to this public health emergency, the Government of Canada announced Federal Action on Opioids with a nationwide collaborative approach led by Health Canada. As part of this federal action, Project Guardian was launched in February 2018 as a public-private sector partnership to combat money laundering associated with the trafficking of illicit fentanyl.



- From January to September 2018, there were 3,286 apparent opioid-related deaths in Canada – 93% were accidental.
- 73% of accidental apparent opioid-related deaths involved fentanyl or fentanyl analogues.

Source: Updated Numbers on Opioid-Related Overdose Deaths in Canada, Public Health Agency of Canada (April 2019)



In December 2018, the Royal Canadian Mounted Police in the Northwest Territories recognized the value of FINTRAC's financial intelligence in initiating Project Gloomiest, a drug trafficking investigation in the city of Yellowknife. Following a yearlong investigation, charges were laid against 15 people. Two firearms and 1,425 grams of cocaine were also seized.





In July 2018, the value of FINTRAC's financial intelligence was recognized in a joint Royal Canadian Mounted Police and Durham Regional Police Service investigation, which disrupted several criminal networks related to the trafficking of fentanyl and other illicit drugs. The 18-month joint investigation led to the coordinated seizures of counterfeit United States currency, twelve handguns and ammunition, one hand grenade and approximately \$29,000 in Canadian currency. Eight Greater Toronto Area residents were charged and significant quantities of fentanyl, methamphetamine and cocaine were taken off the streets.



WHAT IS ROMANCE FRAUD?

This illicit activity involves an individual with false romantic intentions gaining a victim's trust in order to take their money and/or gain access to their bank accounts or credit cards.

Through a strategic analysis of its financial intelligence, and in collaboration with Canada's financial institutions and the Royal Canadian Mounted Police, FINTRAC developed a comprehensive list of money laundering indicators showing how drug traffickers exploit the financial system to acquire fentanyl and to launder the proceeds of this illicit activity. The publication of FINTRAC's Operational Alert, *Laundering of the proceeds of fentanyl trafficking*, has helped businesses to identify financial transactions that may indicate the trafficking of fentanyl and the laundering of their proceeds of crime, and to trigger the requirement to send a suspicious transaction report to the Centre.

As a result of this new public-private sector partnership and the committed efforts of Canadian businesses, FINTRAC received thousands of suspicious transaction reports relating to the trafficking of illicit fentanyl in 2018–19. With this information, the Centre was able to generate 148 disclosures of actionable financial intelligence last year, including thousands of transaction reports, in support of the money laundering and fentanyl/drug trafficking investigations of Canada's municipal, provincial and federal police agencies. Of these disclosures, 109 were proactively provided to police, bringing their attention to potential money laundering that might not have been on their radar.

Project Chameleon: Tackling Romance Fraud

Launched in 2017, Project Chameleon is a public-private sector partnership that focuses on financial transactions and the laundering of criminal proceeds stemming from romance fraud, through which seniors or other vulnerable Canadians may lose their life savings. The initiative has mobilized businesses, FINTRAC and law enforcement with the goal of identifying the perpetrators and helping to protect victims and their money.

In 2018–19, in consultation with the Canadian Anti-Fraud Centre, FINTRAC published an Operational Alert, *Laundering of the proceeds of romance fraud*. This alert included indicators of money laundering associated with romance fraud and was aimed at assisting businesses in identifying this illicit activity and reporting suspicious transactions.

Throughout the year, FINTRAC received thousands of suspicious transaction reports related to romance fraud, a considerable increase since the launch of Project Chameleon. With the information that it received from Canadian businesses, the Centre was able to provide 110 financial intelligence disclosures, including thousands of transaction reports, to municipal, provincial and federal police agencies last year.

In many instances, FINTRAC was able to link perpetrators who were transacting with numerous victims from reports received from different financial institutions. The suspicious transaction reports that the Centre received from businesses also helped to build a clearer view of romance fraud networks that are operating in Canada and abroad. A sanitized romance fraud case can be found in Annex B.

Project Protect: Combatting Human Trafficking in the Sex Trade

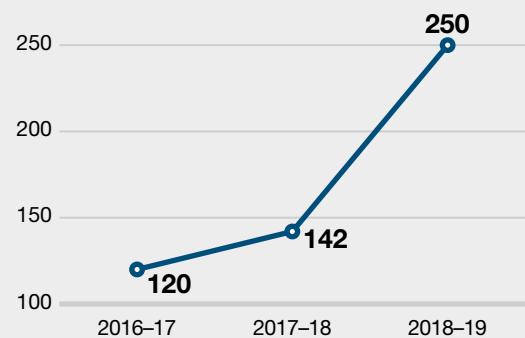
Launched in 2016, Project Protect is a public-private sector partnership that targets human trafficking in the sex trade by focusing on the money laundering aspect of the crime. This innovative initiative has helped to protect some of Canada's most vulnerable citizens and to make the fight against human trafficking in the sex trade a collective priority.

Through Project Protect, FINTRAC has worked closely with Canada's financial institutions to develop an Operational Alert, *The laundering of illicit proceeds from human trafficking for sexual exploitation*, to increase awareness and understanding of money laundering in relation to human trafficking in the sex trade.

As a result of these efforts and the ongoing commitment of Canadian businesses, FINTRAC received thousands of suspicious transaction reports in relation to Project Protect in 2018–19.

With this information, FINTRAC was able to provide 250 disclosures of actionable financial intelligence, including thousands of transaction reports, to Canada's municipal, provincial and federal police forces in support of their human trafficking investigations.

DISCLOSURES PROVIDED IN RELATION TO PROJECT PROTECT



STRATEGIC INTELLIGENCE

With the information that FINTRAC receives from its regime partners and businesses across the country, the Centre is able to produce valuable strategic intelligence in the fight against money laundering and terrorist activity financing. Through the use of analytical techniques, FINTRAC is able to identify emerging characteristics, trends and tactics used by criminals to launder money or fund terrorist activities. The goal of the Centre's strategic intelligence is to inform regime partners and policy decision-makers, businesses, Canadians and international counterparts about the nature and extent of money laundering and terrorist activity financing in Canada and throughout the world.

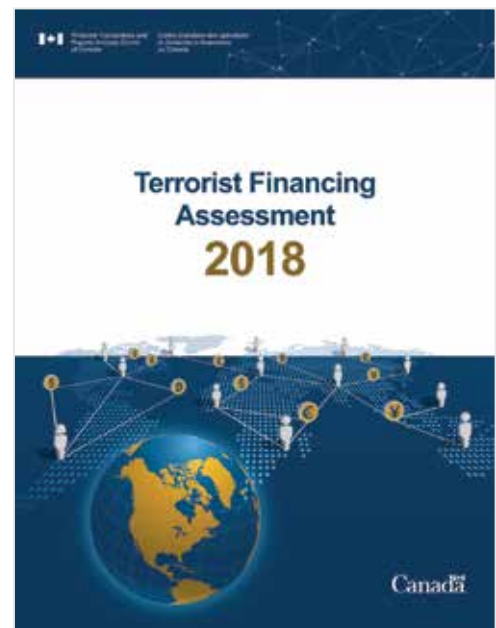
In 2018–19, FINTRAC produced nine strategic financial intelligence assessments and reports and contributed its financial intelligence insight and expertise to numerous other regime partner projects. The majority of the Centre's strategic intelligence was focused on specific money laundering and terrorism financing issues, including a number of terrorism financing jurisdictions of concern. This intelligence was generated to support FINTRAC's own intelligence work as well as that of the Canadian security and intelligence community. The Centre also provided strategic financial intelligence to the Department of Finance Canada, as the lead of Canada's Anti-Money Laundering and Anti-Terrorist Financing Regime, on a broad spectrum of policy issues, including on the involvement of lawyers in money laundering, cryptocurrency and in relation to foreign beneficial ownership.

Over the past year, FINTRAC also produced strategic intelligence to assist Canadian businesses in understanding the potential risks and vulnerabilities in their sectors and in complying with their obligations under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*. In addition to publishing indicators relating to the *Laundering of the proceeds of romance fraud*, the Centre also issued an operational alert regarding *Professional money laundering through trade and money services businesses*.



In August 2018, the Alberta Securities Commission recognized the value of FINTRAC's financial intelligence in a fraud and theft case. An Alberta man fraudulently raised approximately \$200,000 from six different investors between September 2013 and February 2015 in Red Deer. He also opened a bank account and obtained approximately \$25,000 of credit using a stolen identity. The individual pled guilty to seven charges under the *Criminal Code*, including laundering the proceeds of crime, and was ordered to pay restitution in the amount of \$418,835.

In December 2018, FINTRAC published the *Terrorist Financing Assessment: 2018*, which is the first of its kind in Canada and internationally. Developed in close collaboration with the Centre's national security partners as a part of the Government of Canada's efforts to combat violent extremism and terrorism, the assessment provides a baseline assessment of the terrorist activity financing risks presented by various countries and by terrorist organizations within those countries. The assessment's financial and geographic indicators, in particular, will assist businesses in better identifying and reporting suspected terrorist activity financing.



FINTRAC's strategic financial intelligence also supports the long-term legislative and regulatory goals of Canada's Anti-Money Laundering and Anti-Terrorist Financing Regime by assisting federal policymakers in understanding emerging issues, trends and patterns in the broader money laundering and terrorist financing environment. In 2018–19, the Centre focused its strategic efforts on identifying trends, opportunities and risks arising from the rapid growth of financial technology (FinTech) and how the technology could be used for the purposes of money laundering and terrorist activity financing. FINTRAC produced and presented strategic analysis on various FinTech related topics, including cryptocurrency, digital identity and alternative financing. Under Project Capstone, FINTRAC also continued to engage academia on a number of security-related public policy issues. This year's project explored the interaction between emerging financial technology, such as Blockchain and smart contracts, and the existing anti-money laundering and countering the financing of terrorism regimes around the world. This type of collaboration with academia provides important insights that FINTRAC can leverage and share with its regime partners.

ALBERTA SECURITIES COMMISSION

"THE RECIDIVIST"

An Alberta individual fraudulently raised money from investors between October 2012 and April 2015, while banned from trading or advising in securities for violating Alberta securities law in 2009. The individual also fraudulently opened a bank account and obtained approximately \$25,000 of credit using a stolen identity between August 2015 and March 2017.

CHARGES

Seven charges were laid against one individual:

- Fraud over **\$5,000**
- Laundering Proceeds of Crime
- Impersonation
- Breaching Recognition Conditions

RESTITUTION

Ordered to pay restitution in the amount of **\$418,835**

PARTNERS

ASC
Alberta Securities Commission

Alberta Justice and Solicitor General
Alberta Justice and Solicitor General

Alberta Financial Services
Alberta Financial Services

Alberta Credit Union
Alberta Credit Union

This is the first conviction resulting from the Joint Serious Offences Team (JSOT) investigations in Alberta. JSOT gratefully acknowledges the assistance of the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) in this matter.

—ALBERTA SECURITIES COMMISSION

Canada

STRATEGIC COORDINATION AND COLLABORATION

FINTRAC's strategic work encompasses operational policy coordination and collaboration. The Centre works closely with the Department of Finance Canada and other regime partners, sharing its strategic and operational expertise on money laundering and terrorist activity financing and its knowledge of Canada's national security priorities, to identify potential enhancements to legislation and regulations with a view to strengthening Canada's overall regime.

Throughout 2018–19, FINTRAC played an active role in support of the five-year Parliamentary Review of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* by the House of Commons Standing Committee on Finance. The Centre appeared at committee to describe its regulatory and financial intelligence functions and results, as well as to answer questions on a variety of money laundering and terrorism financing related issues. As well, FINTRAC contributed to the Government of Canada's response to the Committee's formal Parliamentary Review Recommendations.

FINTRAC also supported the development of new regulations by the Department of Finance Canada. The regulatory amendments are meant to strengthen Canada's Anti-Money Laundering and Anti-Terrorist Financing Regime by updating customer due diligence requirements, regulating businesses dealing in virtual currency and foreign money services businesses, and updating beneficial ownership reporting requirements in suspicious transaction reports. The Centre worked closely with regime partners to prepare extensive draft regulations. FINTRAC also crafted preliminary guidance and mock reporting forms based on the proposed regulations to help businesses better understand what was being proposed and to equip them with methods to provide informed feedback. Through this innovative approach to consultations with reporting entities, FINTRAC provided an initial view as to how the regulatory amendments would be interpreted and enforced, thereby significantly enriching the consultation process.

In 2018–19, FINTRAC's financial intelligence and anti-money laundering and anti-terrorism financing expertise helped to inform broader Government of Canada policy discussions and decisions through various interdepartmental working groups dealing with issues, such as cryptocurrency, corporate transparency and to explore issues related to money laundering and other illicit activity that may arise in the practice of law. As well, through the National Inherent Risk Assessment Working Group, the Centre continues to support the Department of Finance Canada in determining which business sectors or industries, covered and not covered under the Act, may need to be assessed for money laundering and terrorism financing risk.

Throughout the year, FINTRAC also worked with businesses to identify and address money laundering risks in Canada's real estate sector as part of the British Columbia-Government of Canada Working Group on Real Estate. The Centre contributed to the group's work by delivering presentations, identifying compliance challenges affecting this sector and defining the key issues that need to be addressed. FINTRAC also provided input to advance the British Columbia Expert Panel's understanding of the Centre's operations and mandate, as well as data in support of the Panel's study of money laundering.



COMPLIANCE

As part of its core mandate, FINTRAC also administers a comprehensive, risk-based compliance program to assist and ensure that thousands of Canadian businesses fulfill their obligations under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*.

These obligations allow for certain economic activities to be more transparent, which helps deter criminals and terrorists from using Canada's financial system to launder the proceeds of their crimes or to finance terrorist activities.

Compliance with the legislation also ensures that FINTRAC receives the information that it needs to generate actionable financial intelligence for Canada's police, law enforcement and national security agencies. Financial transaction reporting statistics from 2018–19 can be found in Annex C.

Over the past year, FINTRAC launched a comprehensive new initiative aimed at enhancing the support that it provides to Canadian businesses and increasing the transparency of its compliance program. This initiative included the publication of the Centre's Compliance Framework, a new FINTRAC Assessment Manual, a revised Administrative Monetary Penalties policy and a Voluntary Self-Declaration of Non-Compliance notice, all of which are described in greater detail throughout this section of this annual report.

This enhanced support and transparency initiative reinforces FINTRAC's assessment approach to ensuring compliance. With this approach, the emphasis is on the overall effectiveness of a business's compliance program, including the impact of non-compliance on achieving the objectives of the Act and the Centre's ability to carry out its mandate. The initiative also focuses on the three pillars of FINTRAC's compliance program: assistance, assessment and enforcement.



CANADIAN BUSINESSES COVERED UNDER THE ACT

- Accountants
- Agents of the Crown
- British Columbia notaries
- Casinos
- Dealers in precious metals and stones
- Financial entities
- Life insurance
- Money services businesses
- Real estate
- Securities dealers



"I have been in banking (and the credit union space) for over 25 years and I can sincerely say that I have not seen such level of engagement from a regulator and, for this, I say thank you."

– **DUCA Credit Union**

ASSISTANCE TO BUSINESSES

FINTRAC is committed to working with businesses across the country to assist them in understanding and complying with their obligations.

Outreach and Engagement

Throughout 2018–19, FINTRAC engaged in 135 outreach and engagement activities, such as working groups, conferences, presentations, training sessions and meetings with businesses and stakeholders. FINTRAC conducted consultations on a number of topics, including beneficial ownership, guidance and ongoing monitoring.

Over the past year, the Centre's outreach efforts were focused on increasing awareness and understanding, as well as eliciting feedback on the new regulatory amendments developed by the Department of Finance Canada. In February 2019, FINTRAC created a new Reporting Working Group to prepare, in a collaborative manner, for the impending regulatory amendments. Meetings included participants from numerous businesses, the Canadian Bankers Association and FINTRAC, and the ongoing focus is on implementing regulatory changes as well as improvements and efficiencies associated with transaction reporting.

FINTRAC also engaged extensively with real estate regulatory bodies, associations and businesses across the country to strengthen compliance in the sector. For example, the Centre signed a new Memorandum of Understanding with the Real Estate Council of British Columbia. The first of its kind for real estate regulators in Canada, the Memorandum of Understanding establishes a framework within which FINTRAC and the Real Estate Council of British Columbia can share compliance-related information in order to strengthen compliance in the real estate sector in British Columbia. It also helps to enhance the knowledge and expertise of each organization regarding new and evolving trends in the real estate sector in British Columbia and across Canada. This Memorandum of Understanding has triggered similar interest from other provincial regulators, upon which FINTRAC will be following up.

Throughout the year, FINTRAC worked closely with the Canadian Real Estate Association, providing information on the sector's examination results and expected areas of improvements. The Centre also sought out the Association's feedback on its revised guidelines, including new suspicious transaction reporting guidance. As well, FINTRAC assisted the Canadian Real Estate Association and the Real Estate Council of Ontario in the development of training modules for their members in relation to the regulatory obligations.



The Canada Revenue Agency recognized the value of FINTRAC's financial intelligence in *Project Collecteur*, a joint investigation with the Royal Canadian Mounted Police that targeted a money laundering and tax evasion scheme in the Greater Montreal and Toronto areas. Charges were laid against 17 individuals, including laundering the proceeds of crime, and \$10.9 million in drugs and proceeds of crimes were seized, as were several properties with an estimated value of \$22 million.

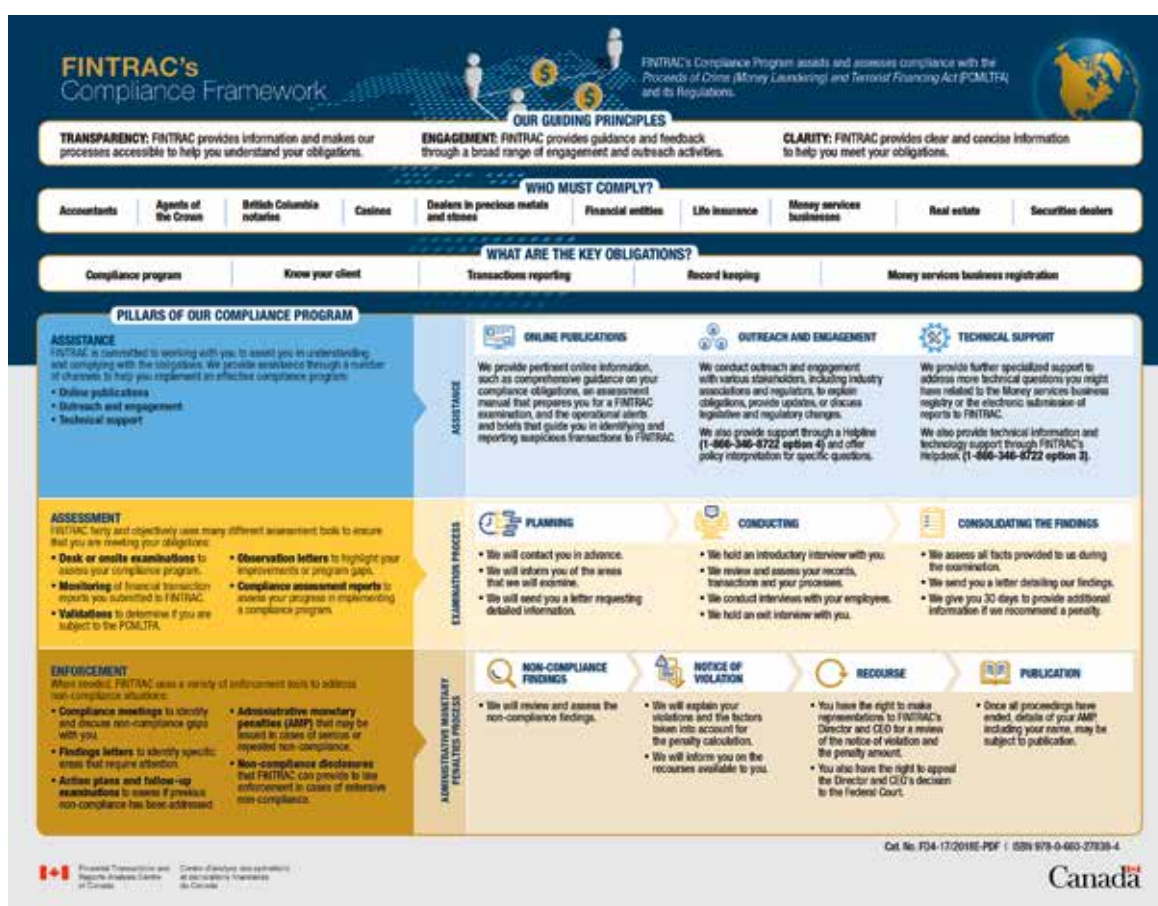


In October 2018, the Centre held its fifth annual Major Reporters Forum, bringing together a number of regime partners and Canada's largest financial institutions that provide more than 90 percent of the reports that FINTRAC receives every year. The forum highlighted key publications by FINTRAC to support businesses in meeting their obligations and increasing the Centre's transparency. It also included a presentation from the Toronto Police Service illustrating how reports submitted to FINTRAC from Canadian businesses support law enforcement activities to counter money laundering and terrorist activity financing.

Comprehensive Guidance

FINTRAC provides businesses with comprehensive, clear and direct guidance to help them better understand and comply with their obligations under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*.

As part of its broader transparency initiative in 2018–19, the Centre published its Compliance Framework, which captures the guiding principles that shape FINTRAC's compliance program. It provides a comprehensive description, in an easy to navigate format, of the services and tools that are available to assist businesses in complying with their obligations.



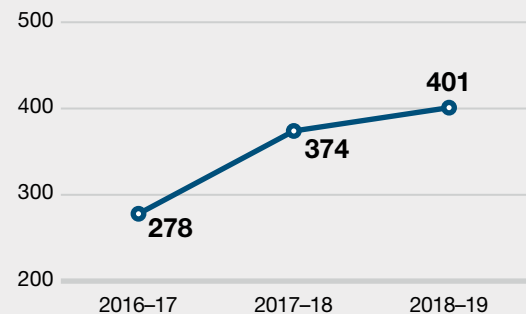
In 2018–19, FINTRAC also published its revised suspicious transaction reporting guidance, making it clearer and more concise. This was the first official guidance that also explained the concept of a “reasonable grounds to suspect” threshold with respect to triggering the requirement to submit a suspicious transaction report to FINTRAC. Although the obligations themselves did not change, the new guidance will help businesses better understand what suspicious transactions are, the value they provide and when they must be submitted to FINTRAC. More importantly, this new guidance provided money laundering and terrorist financing indicators specific to each reporting sector. Throughout the drafting process, FINTRAC consulted extensively with businesses and their associations, including through the Guidance and Policy Interpretation Working Group.

Policy Interpretations

Over the past year, FINTRAC provided 401 policy interpretations to clarify its approach to the application of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*, a seven percent increase over the previous year. The most common interpretations were related to ascertaining identity, reporting international electronic funds transfers and determining if a business was considered a reporting entity under the Act.

FINTRAC's policy interpretations, many of which involve complex business models, are often posted on its website without identifying information, to assist other businesses that may have similar questions.

POLICY INTERPRETATIONS PROVIDED



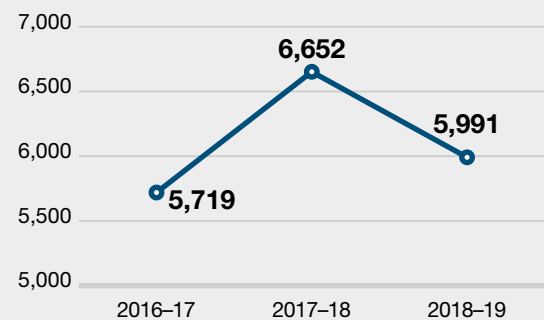
Responses to Enquiries

In 2018–19, the Centre responded to 5,991 enquiries from businesses in every reporting sector on a broad range of issues, including reporting obligations, access to reporting systems and the registration of money services businesses.

Money Services Business Registry

Businesses that exchange foreign currencies, transfer money or cash/sell money orders or traveller's cheques must register with FINTRAC before offering these services to the public. Moreover, they must renew their registration every two years. Individuals convicted of certain offences under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*, the *Controlled Drugs and Substances Act* or the *Criminal Code* are ineligible to register a money services business in Canada. Should such a determination be made, the registration is either denied or revoked. Last year, 322 new money services businesses registered with FINTRAC and 328 businesses were renewed. In addition, 114 businesses ceased their registrations and 112 registrations expired. There were no revocations in 2018–19. As of March 31, 2019, 1,101 money services businesses were registered with the Centre.

NUMBER OF QUERIES ANSWERED



"We support the open approach that FINTRAC is taking, and the transparency provided by the Assessment Manual is a very welcome direction. As well, the narrative is excellent — clear and concise; the document will be a very useful resource for credit unions."

– Canadian Credit Union Association



In April 2018, the value of FINTRAC's financial intelligence was recognized in Project Boomerang, a joint-forces investigation led by the Halton Regional Police Service, Peel Regional Police and the Royal Canadian Mounted Police into an organized drug trafficking ring in the Greater Toronto Area. Project Boomerang led to the arrest of 11 individuals and the seizure of a kilogram of cocaine and other drugs, weapons and \$600,000 in cash.

ASSESSMENT

In addition to assisting businesses in understanding their obligations, FINTRAC has a number of different assessment tools in place to verify the compliance of thousands of businesses across the country. Over the past year, FINTRAC continued with the evolution to an assessment approach to examinations. With this approach, the focus is less on technical compliance and more on the overall effectiveness of a business's compliance program, including the impact of non-compliance on achieving the objectives of the Act and the Centre's ability to carry out its mandate.

Compliance Assessment Reports

The Centre issues compliance assessment reports to enhance its coverage in business sectors and to complement other compliance activities. Businesses are required to answer a set of specific questions, which helps FINTRAC assess their compliance and address any concerns that may arise from their responses. In 2018–19, 68 compliance assessment reports were undertaken.

Data Integrity and Database Examination Reviews

FINTRAC monitors the quality, timeliness and volume of the financial transaction reporting that it receives from businesses across the country. Over the past few years, the Centre has invested heavily in validating and monitoring reporting data, including improving its business processes to increase the effectiveness of its monitoring.

When issues related to reporting data quality, timing and volume are identified, FINTRAC addresses them through engagement, an examination or another compliance activity. Through this type of monitoring of data, the Centre is also able to identify over-reporting, and delete from its database those reports that it should not have received.

FINTRAC also regularly assesses the financial transaction reports that it receives from businesses by conducting database examinations to determine whether a business's reporting behaviour has changed since its most recent compliance examination. These reviews determine whether follow-up compliance activities are required to address ongoing reporting deficiencies and are an effective tool in improving compliance.



Compliance Examinations

Examinations are the Centre's primary instrument for assessing the compliance of businesses subject to the Act. FINTRAC uses a risk-based approach to select the businesses that will be examined every year, focusing a significant portion of its examination resources on businesses that report large numbers of transactions or are at a higher risk of being deficient or exploited by money launderers or terrorist financiers. Consistent with its transition from an audit to an assessment approach over the past couple of years, the Centre has focused its efforts on more complex, lengthy and in-depth examinations of larger businesses in higher-risk sectors in order to determine how effectively they are fulfilling their compliance obligations.

As part of FINTRAC's transparency initiative in 2018–19, the Centre published its first-ever FINTRAC Assessment Manual, which is based on extensive internal work and considerable consultation with businesses and their associations. The Manual provides a detailed, transparent and plain language account of FINTRAC's overall examination process, the phases of an examination and the methods used to assess compliance with the Act. It is meant to provide businesses with a good understanding of how the Centre conducts its compliance examinations, including what they can expect from FINTRAC before, during and after an examination.

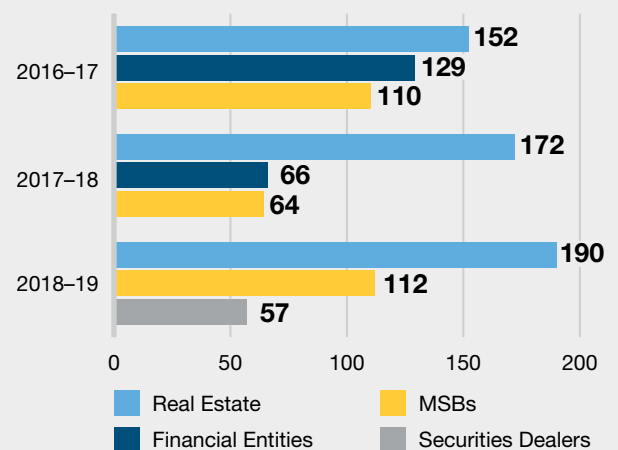
In 2018–19, FINTRAC conducted 497 compliance examinations, the largest number of which was focused on the real estate sector (190), followed by money services businesses (112) and securities dealers (57).

With the new funding announced in the 2019 Federal Budget, FINTRAC's examination plan will see increased outreach and examinations in 2019–20 in the real estate and casino sectors with a focus on the province of British Columbia.

Over the past year, FINTRAC and the Office of the Superintendent of Financial Institutions (OSFI) concluded the pilot of a joint assessment approach to conducting compliance examinations of Federally Regulated Financial Institutions. Based on their assessment of the pilot, FINTRAC and OSFI are implementing a new approach to anti-money laundering and anti-terrorist financing supervision of these financial institutions. Following a transition period, FINTRAC will assume primary responsibility for conducting independent anti-money laundering and anti-terrorist financing assessments of Federally Regulated Financial Institutions to ensure compliance with the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* and associated regulations. This new approach will deliver a strong and effective Anti-Money Laundering and Anti-Terrorist Financing Regime, while reducing duplication through better alignment with FINTRAC and OSFI's respective mandates and authorities.

The Centre's new Voluntary Self-Declaration of Non-Compliance notice provides Canadian businesses with information on how to contact FINTRAC when they come across instances of non-compliance.

LARGEST NUMBER OF EXAMINATIONS BY SECTOR (TOP THREE)





The Peel Regional Police recognized the value of FINTRAC's financial intelligence in an eight-month-long Joint Forces Operation that investigated a group of individuals involved in drug trafficking and importation, the trafficking of stolen property and fraud. While the criminal activity took place in Canada, the investigation revealed connections to the United States and Pakistan. Eighty charges were laid against 10 individuals and drugs valued at \$210,900 were seized, along with \$4.5 million of stolen tractor-trailer cargo and \$50,000 cash.

Promoting open dialogue and transparency without the threat of a penalty, the Voluntary Self-Declaration of Non-Compliance notice allows FINTRAC to work collaboratively with businesses to address non-compliance, which they have identified. In particular, it helps to ensure that the Centre receives reporting that it may not have, and which is critical to the production of actionable financial intelligence for Canada's police, law enforcement and national security agencies. In 2018–19, FINTRAC received 67 Voluntary Self-Declaration of Non-Compliance notices, all of which involved reports that had not been submitted due to system and/or human error. In some instances, these notices also allow the Centre to better protect the privacy of Canadians by addressing specific cases of over-reporting and deleting reports that FINTRAC should not have received.

ENFORCEMENT

FINTRAC is committed to working with businesses to assist them in understanding and complying with their obligations. However, the Centre is also prepared to take firm action when it is required to ensure that businesses take their responsibilities seriously. This includes undertaking follow-up examinations, imposing administrative monetary penalties when warranted and providing non-compliance disclosures to police and law enforcement. Businesses must never lose sight of the fact that Canada's Anti-Money Laundering and Anti-Terrorist Financing Regime is about protecting Canadians and the integrity of Canada's financial system.

Follow-up Examinations

Follow-up examinations are an assessment tool that FINTRAC can use, when appropriate, to assess if a business has addressed previous non-compliance. In 2018–19, the Centre conducted 19 follow-up examinations and identified improvement in compliance behaviour in 79 percent of cases over the previous examination. In instances where a negative change in behavior (21%) was observed, additional compliance and enforcement activities are planned.

Administrative Monetary Penalties

In 2008, FINTRAC received the legislative authority to issue administrative monetary penalties to businesses that are in non-compliance with the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*. Under the legislation, penalties are non-punitive and are focused on changing the non-compliant behaviour of businesses. The administrative monetary penalties program supports FINTRAC's mandate by providing a measured and proportionate response to particular instances of non-compliance.

Following two Federal Court decisions in 2016, FINTRAC initiated a review of its administrative monetary penalties program to ensure that it is one of the most open, transparent and effective anti-money laundering and anti-terrorism financing penalty programs in the world. As part of this review, the Centre conducted extensive research and consultations with legal experts and stakeholders, as well as a thorough analysis of the Centre's broader assessment methodology in relation to examinations.

FINTRAC completed this review in 2018–19 and published the revised Administrative Monetary Penalties policy on its website in February 2019. The revised policy outlines clearly and transparently the penalty process and the new method of calculating penalties for non-compliance with the Act and Regulations. The Centre also worked to develop a number of specific guides that describe the approach for determining harm done for over 200 violations. These guides will be published on FINTRAC's website in fiscal year 2019–20. Between February and March 31, 2019, FINTRAC issued one administrative monetary penalty.

By providing comprehensive information on the enhancements to its Administrative Monetary Penalties policy and penalty calculation methodology, FINTRAC wants to ensure that businesses will have a better understanding of its program and approach.

With the changes to the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* proposed in the 2019 federal budget, the Centre is also now required to publicly name all persons and entities that receive an administrative monetary penalty. This mandatory publication will apply to all administrative monetary penalties imposed as of June 21, 2019.

Non-Compliance Disclosures to Police

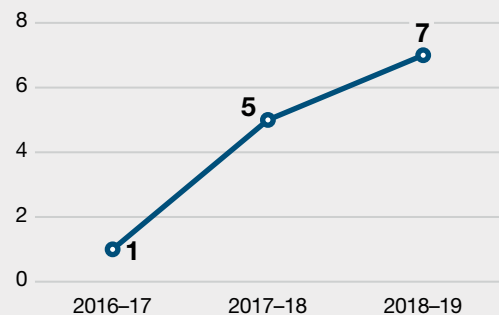
Under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*, FINTRAC may disclose cases of non-compliance to the police and law enforcement when it is extensive or if there is little expectation of immediate or future compliance. In 2018–19, the Centre disclosed seven such cases.



"We're glad to see new transparency in FINTRAC penalty calculations."

**– Transparency
International Canada
(Tweet)**

NON-COMPLIANCE DISCLOSURES TO POLICE





GLOBAL LEADERSHIP

FINTRAC works with its allies and partners in a global effort to combat international money laundering and terrorist activity financing. As a Centre that is recognized for its expertise and global contribution, FINTRAC is regularly asked to lead conferences and workshops and contribute to international research projects, training and bilateral and multilateral capacity building initiatives.

Recognizing the transnational nature of money laundering and terrorist activity financing, FINTRAC cooperates with foreign financial intelligence units to protect Canadians and the integrity of Canada's financial system. Through over 100 bilateral agreements, the Centre is able to disclose financial intelligence to financial intelligence units worldwide when the appropriate threshold is met. At the same time, foreign intelligence units are able to share their information with FINTRAC, which broadens its analyses of international financial transactions. In 2018–19, the Centre received 225 queries for information from foreign financial intelligence units in relation to money laundering and terrorist activity financing, and provided 253 disclosures. For its part, FINTRAC sent 149 requests to foreign financial intelligence units seeking further financial intelligence to broaden its own analysis.

FINTRAC works with the Department of Finance Canada, other regime partners and international organizations to conduct research, develop common policies and standards and share best practices. The Centre provides technical assistance and shares expertise with foreign financial intelligence units, helping to enhance global knowledge of money laundering and terrorism financing issues and to strengthen international compliance and financial intelligence operations.

Throughout the year, FINTRAC oversaw the design, development and delivery of specialized courses for financial intelligence units across the globe. These courses focused on a variety of topics, such as securing a financial intelligence unit and working with customs authorities. In addition, FINTRAC supported the United Nations Office on Drugs and Crime's workshop on human trafficking and migrant smuggling, which focused on capacity building for financial intelligence units and law enforcement within the Middle-East and North African nations.

As part of the Egmont Group, which is comprised of 158 international financial intelligence units, the Centre led and supported a number of key projects related to technical assistance and training. These projects included the operationalization of Egmont's new Centre on Excellence and Leadership, the delivery of a Strategic Analysis Course to financial intelligence units in developing countries and the delivery of an advanced course on tactical intelligence focussed on corporate vehicles and other financial products. FINTRAC also delivered a presentation to international partners at the Egmont Group regarding best practices in public-private partnerships, including practical considerations for financial intelligence units when engaging reporting entities. With these types of projects, the Centre is committed to enhancing the capabilities of financial intelligence units worldwide.

FINTRAC is also a member of Canada's delegation to the Financial Action Task Force, an international body that sets standards and promotes the effective implementation of legal, regulatory and operational measures for combatting money laundering and terrorism financing. In 2018–19, the Centre delivered a presentation on guidance work on virtual assets and presented provisional results of the Financial Action Task Force's project on the Financial Flows from Human Trafficking at the Joint Experts Meeting. In addition, the Centre presented draft standards and guidance for Trade-Based Money Laundering at the 2019 Financial Action Task Force Plenary. As well, FINTRAC contributed to anti-money laundering and anti-terrorist financing policy development internationally through the Financial Action Task Force and Financial Action Task Force-Style Regional Bodies such as the Asia/Pacific Group and the Caribbean Financial Action Task Force. The Centre contributed to papers on the risk-based approach to guidance on specific sectors, digital identity and virtual assets.

FINTRAC also works closely with its counterpart organizations within the Five Eyes community, consisting of Australia, Canada, New Zealand, the United Kingdom and the United States. In 2018–19, FINTRAC led the creation of the Five Eyes Heads of Financial Intelligence Units Cooperation Group, which has agreed to formal terms of reference, with the goal of increasing cooperation at the policy, strategic and operational levels.

The Centre also works with its Five Eyes partners through the International Supervisors Forum, which was established in 2013 to provide members with a platform for actively sharing information and operational practices; consulting on common supervisory priorities and issues; and developing collaborative products and initiatives. In 2018–19, the International Supervisors Forum held its fourth meeting in Melbourne, Australia, focusing on strengthening collaboration, enhancing information sharing and discussing supervisory best practices, particularly in relation to regulating businesses dealing in virtual currency.

Going forward, the Centre will continue to collaborate with its national and international partners on a number of priority projects, including countering the trafficking of fentanyl and combatting human trafficking. Leveraging insight and best practices among innovative financial intelligence units helps to ensure that FINTRAC remains a global leader in the fight against money laundering and terrorism financing.



The Royal Canadian Mounted Police's Integrated National Security Enforcement Team (INSET) recognized FINTRAC's financial intelligence in a national security investigation related to terrorism. Following the investigation, one individual was arrested and charged with a terrorism-related offence and *Criminal Code* infraction.



In November 2018, the Canada Revenue Agency recognized the value of FINTRAC's financial intelligence in a tax evasion case that led to charges being laid against two Ottawa residents. They allegedly underreported their income between 2008 and 2013, evading \$523,532 in federal income tax. Six rental properties and a car were seized using the proceeds of crime provisions in the *Criminal Code*. This case marks the first time the proceeds of crime provisions have been used in a tax evasion investigation.





PROTECTING PERSONAL INFORMATION

In fulfilling its core financial intelligence and compliance mandates, FINTRAC is committed to safeguarding the information that it receives and discloses to Canada's police, law enforcement and national security agencies. The *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* strikes a careful balance between FINTRAC's receipt and disclosure of personal information to support essential criminal and national security investigations and the right of Canadians to be protected from unnecessary invasions of their privacy.

The safeguarding of personal information is critical to FINTRAC and clear principles for the protection of privacy are set out in its governing legislation, including strict limitations on the information that can be received and disclosed, clear requirements for maintaining and disposing of records and a biennial audit of FINTRAC's protection of information by the Office of the Privacy Commissioner. These principles are reinforced by the Centre's own operational policies and security measures.

Protecting Privacy

FINTRAC does not have direct access to the bank accounts or any other financial information of Canadians. The Centre receives information from businesses only as specified under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*. The legislation also establishes that FINTRAC can only make a financial intelligence disclosure to appropriate police and prescribed law enforcement and national security agencies. Furthermore, the Act clearly defines what information may be disclosed and sets out specific thresholds that must be met before the Centre can disclose it. Any other disclosure or improper use of information is prohibited and can result in severe penalties, including a fine of up to \$500,000 and/or up to five years' imprisonment.

In order to protect the reports that it receives from Canadian businesses, FINTRAC's premises and information systems are guarded by multi-layered and integrated security systems. All personnel must maintain a high-level security clearance as a condition of employment. As well, employees have access to sensitive information on a need-to-know basis only and are reminded regularly of their responsibilities to protect personal information. The Centre's *Code of Conduct, Values and Ethics* reinforces employees' legal obligations in relation to safeguarding information.

Information protection is an integral part of FINTRAC's mandate. As such, FINTRAC requires its employees to have a heightened awareness of security, privacy, information management and access to information as well as participate in mandatory access to information and privacy training. FINTRAC's Access to Information and Privacy Office provides regular advice and guidance to all FINTRAC employees to further ensure that FINTRAC manages its personal information holdings effectively and in accordance with the *Privacy Act*.

The *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* establishes retention and disposition rules for the personal information that FINTRAC receives. The Centre is diligent in disposing of reports 10 years after their receipt if they are not used in a financial intelligence disclosure. In 2018–19, the Centre disposed of 24.1 million such reports and 63.3 million over the past three years.

FINTRAC also has in place a robust process for segregating and disposing of reports that are sent by businesses, but do not meet reporting thresholds. Through the proactive monitoring of reporting statistics, compliance examinations, the Voluntary Self-Declaration of Non-Compliance, and other compliance activities, the Centre identified a number of instances of over-reporting. This resulted in the segregation and deletion or disposal of more than 12 million reports that should not have been sent by businesses over the past year.

OFFICE OF THE PRIVACY COMMISSIONER AUDIT

FINTRAC is the only federal agency whose governing legislation requires a biennial audit by the Office of the Privacy Commissioner on the measures it takes to safeguard the personal information that it receives under the Act. In September 2017, the Office of the Privacy Commissioner completed and published its third review of the Centre's privacy protection measures.

In its audit report, the Office of the Privacy Commissioner concluded that "the Centre has made significant efforts to enhance its personal information handling practices, resulting in improvements in privacy protections." The Privacy Commissioner's audit report highlighted seven recommendations, such as working with Shared Services Canada to define information technology security roles and responsibilities, enhancing monitoring of system logs, front-end screening, reviewing and disposing of transaction reports that do not meet reporting thresholds and reducing personal information in compliance examination files.

In 2018–19, the Centre implemented a number of measures to address the recommendations in the audit report, strengthening its comprehensive approach to safeguarding the personal information of Canadians. Over the past year, FINTRAC and Shared Services Canada collaborated to establish agreement regarding roles and responsibilities as it relates to information technology security. The Centre also implemented logging improvements. FINTRAC updated its guidelines for the segregation and disposition of transaction reports that do not meet reporting thresholds. In addition, the Centre has revised the notification letters sent to reporting entities and implemented a quality assurance process to reduce personal information in compliance examination files.

The protection of privacy is a clear priority and a critical result of FINTRAC's work. While helping to protect the safety of Canadians and security of Canada's economy, the Centre is determined to meet all of its obligations under the *Privacy Act* and the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*.



CORPORATE STRENGTH

As FINTRAC's responsibilities and operations continue to grow in scope and complexity, its ability to deliver on its mandate is tied directly to its adaptability, the skills and dedication of its employees, and the tools and resources that it provides them to do their work. As an organization committed to excellence, the Centre is focused on the effective management of its human, technological and financial resources.

WORKFORCE EXPERTISE, ENGAGEMENT AND EXCELLENCE

Through tailored engagement activities and robust people management initiatives, FINTRAC continues to attract, develop, retain and maximize the contributions of one of the most dedicated and talented workforces in the federal government.

FINTRAC has been successful in navigating and addressing the challenges related to the Phoenix pay system and considers itself to be in a stable state. Furthermore, the Centre continues to work diligently to ensure minimal to no impact on employees' pay. As part of its regular on-boarding process when new employees are hired, they meet with a compensation advisor to ensure their pay is processed in a timely and accurate manner.

Based on the input of FINTRAC employees, results from the 2017 Public Service Employee Survey (PSES) showed that the Centre was ranked sixth overall for the best place to work in the federal public service. This was a significant achievement and FINTRAC remains committed to ongoing improvement and excellence. The Centre's participation rate in the 2017 PSES Survey was 91 percent, the highest amongst small, medium and large departments and agencies in the public service.

Over the past year, the Centre engaged in extensive consultations with its employees with the goal of exploring and developing a response to the survey results. Based on the feedback received, FINTRAC's internal PSES Working Group developed a PSES Action Plan centred on fostering a performance-driven culture that is able to overcome challenges through partnership and accountability. The Action Plan contains a number of comprehensive initiatives grouped under four key themes: mindful leadership; transparency and communication; healthy, respectful and inclusive workplace; and career development and talent management.



The Centre also continued to increase the efficiency of its hiring process by leveraging its recruitment inventory for intelligence analyst and compliance officer positions. As well, FINTRAC participated in the Federal Safety, Security and Intelligence Career Fair in November. This major recruiting event allowed FINTRAC, the Canada Border Services Agency, the Canadian Armed Forces, the Canadian Security Intelligence Service, the Communications Security Establishment, the Royal Canadian Mounted Police and others to meet with potential candidates considering a career within Canada's security portfolio.

As an organization committed to expertise and excellence, learning and development opportunities for FINTRAC's employees remained a priority for the Centre over the past year. In addition to providing extensive sector-specific training, FINTRAC held monthly internal learning sessions in both official languages, giving subject-matter experts the opportunity to share their knowledge with their colleagues. The sessions, which were offered to 40 employees at a time, were often waitlisted, demonstrating a tremendous internal appetite for employees to expand their knowledge of the organization. Recent FINTRAC 101 sessions have covered a broad range of topics from every team across the Centre, such as Relationship Management with Reporting Entities, the *Terrorist Financing Assessment: 2018* and Recognizing and Identifying Insider Threats.

[illegible]

In 2018–19, FINTRAC created its first Centre-wide Mentorship Program with 22 pairings of mentors and mentees. Of the participating mentors, 50 percent were senior managers in the Centre, which demonstrates a strong commitment to developing junior employees for their careers in the public service. Four members of FINTRAC's Executive Committee currently participate in the program as mentors, including the Director and Chief Executive Officer, the Chief Human Resources Officer, the General Counsel and the Chief Financial Officer. The program aims to connect employees with experienced colleagues and executives across the organization to support professional development goals, as well as to cultivate relationships and foster an even greater exchange of knowledge.

The Centre also continued to promote and support bilingualism through a variety of activities and initiatives, such as group training, awareness events and language programs. Throughout the year, 47 employees across the Ottawa, Montreal and Vancouver offices attended FINTRAC's part-time maintenance and introductory Second Language Training. As well, 16 employees participated in the Language Buddy System, which allows staff to practice and improve their second language skills with the help of a volunteer coach in a more informal setting. In addition, the Official Languages Committee organized an Open House to promote the Language Buddy Program, where current participants shared their experience with all employees.

FINTRAC is committed to providing a workplace that is safe, inclusive and respectful. In addition to providing regular communications and tools that support employee well-being and a respectful workplace, the Centre delivered mandatory civility training. This training provided information on civility, harassment and discrimination, and encouraged discussion of these issues using hypothetical scenarios in small groups. As of March 31, 2019, more than 25 percent of the Centre's staff had completed their training with all remaining employees scheduled for training in early 2019–20.

As part of the Centre's commitment to a respectful workplace, FINTRAC also created a new Ombuds Office. This new office is the result of the Centre's PSES engagement sessions and it builds on the Treasury Board of Canada Secretariat's Federal Public Service Workplace Mental Health Strategy as well as the Federal Government's initiative, Safe Workspaces: Starting a Dialogue and Taking Action on Harassment in the Public Service. Reporting to the Director and Chief Executive Officer of FINTRAC, the Ombuds Office will provide a safe, respectful and judgement-free area to support staff and, when needed, guide parties to resolve problems as quickly and as informally as possible.

Under the leadership of a newly appointed Workplace Well-Being and Mental Health Champion, FINTRAC undertook a number of mental health initiatives in 2018–19, including the Not Myself Today Campaign, the Bell Let's Talk Day, the World Mental Health Day, and promoting the Employee Assistance Program's LifeSpeak Portal. The Centre also offered a two-day Mental Health First Aid Training attended by 46 employees, as well as a shorter mental health awareness seminar attended by 29 employees. All managers also took part in a mandatory mental health training session and mandatory occupational health and safety training. Additional mandatory training was provided to the Occupational Health and Safety Committee.

In order to promote diversity, employment equity and multiculturalism, FINTRAC's Employment Equity and Multiculturalism Committee, under the leadership of its Champion, organized a number of activities throughout the year, including its annual multiculturalism potluck. In March 2019, the Centre also welcomed guest speaker Yazmine Laroche, Deputy Minister of Public Service Accessibility, to speak about accessibility, diversity and inclusion in the workplace.

FINTRAC is committed to implementing a Government of Canada initiative focused on using Gender-Based Analysis Plus (GBA+) to develop policies and programs. As part of its renewed governance, the Centre appointed a GBA+ Champion in 2018–19. Furthermore, an ADM-level Champion on Gender-Inclusive Services represents FINTRAC inter-departmentally and is focused on building awareness about the policy direction and the issue, mobilizing various lines of business, and supporting consistency across the Government of Canada.

FINTRAC Demographics

As highlighted in the table below, the Centre is proud to be an inclusive employer that attracts and retains a talented workforce that is reflective of Canada's rich diversity.

Number of Employees¹: 355

Designated Group Representation	FINTRAC Employees	Workforce Availability ²	Federal Public Service ³
Women	54.9%	47.4%	54.8%
Visible minorities	21.7%	20.6%	15.7%
Persons with disabilities	4.5%	4.2%	5.3%
Aboriginal peoples	2.5%	1.9%	5.1%
Official Languages Representation	FINTRAC Employees	Canadian Population ⁴	Federal Public Service ⁵
First official language – English	60.6%	74.8%	70.9%
First official language – French	39.4%	22.2%	29.1%

1. Indeterminate and term employees (including those on leave or interchange); does not include students
2. FINTRAC's workforce availability is based on the occupational groups at FINTRAC on March 31, 2019, and the Canadian Citizen Workforce Population based on 2011 Census statistics and 2012 Canadian Survey on Disability
3. Source: Employment Equity in the Public Service of Canada for Fiscal Year 2017 to 2018
4. Source: Office of the Commissioner of Official Languages, based on 2016 Census data
5. Source: Treasury Board Secretariat, March 31, 2018: "Federal Public Service" includes the core public administration and separate agencies

LEVERAGING TECHNOLOGY

FINTRAC depends on a sophisticated information technology infrastructure to receive, store and secure over 25 million new financial transaction reports every year. At the same time, this infrastructure allows intelligence analysts to filter the information, analyze it and generate actionable financial intelligence for Canada's police, law enforcement and national security agencies. This is only possible with modern systems that can manage the high volume of information, make the connections and produce the needed results, all in real-time or close to it. In 2018–19, FINTRAC initiated a comprehensive review of its analytics modernization to ensure the best path forward in upgrading its analytics capabilities to allow for the full and timely use of its data and knowledge. The review will be completed in 2019–20.

Throughout the year, the Centre continued to implement the initiatives highlighted in FINTRAC's Information Management/Information Technology Strategy 2017–20, which focuses on the people, partnerships and services that are required to support FINTRAC's transformation agenda while continuing to meet operational demands. In alignment with the Treasury Board of Canada Secretariat guidelines, the Centre modernized its secure FINTRAC Web Reporting System, to enhance accessibility and usability.

Over the past year, the Centre engaged in research and consultation aimed at better understanding how to take advantage of new and evolving technology, particularly in relation to machine learning and artificial intelligence. The rapid rate of change to the global financial system, spurred by quickly evolving technology, represents both a challenge and an opportunity. Technology enables quickly morphing threat vectors but can also create new ways of doing business that are more efficient and effective, as well as reduce burden and costs for businesses. In order to harness the opportunity offered by technology, FINTRAC will look to upgrade its physical information technology systems and infrastructure and increasing its knowledge of new and emerging technologies to ensure that it remains a trusted leader in the global fight against money laundering and terrorist activity financing.

ENHANCED GOVERNANCE

In 2018–19, FINTRAC introduced a new internal governance structure to enhance transparency in the Centre's decision-making process and increase meaningful discussions on broad, horizontal files such as emerging technologies and innovation, intelligence priorities, policy innovations, change management and internal communications.

In addition to its Executive Committee and its Management Advisory Committee, FINTRAC added four new sub-committees: Culture and Change Management; Digital Innovation; Intelligence; and Policy and Planning. These sub-committees will focus on supporting the Management Advisory Committee through the generation of innovative new ideas, which will help ensure that the Centre is adaptive to ongoing change.

FINTRAC's new governance structure aligns with the Centre's commitment to collaborative and transparent decision-making, outlined in the FINTRAC Strategic Plan 2019–24. These sub-committees provide employees with a forum for engagement in the decision-making process and ensure openness across all levels of the organization through real time updates on committee discussions and activities.

RESOURCE MANAGEMENT

FINTRAC's resources are managed on the basis of effective policies and planning, reliable financial and non-financial information and sound analysis.

FINTRAC'S BUDGETS BY FISCAL YEAR

	2016–17 (in millions)	2017–18 (in millions)	2018–19 (in millions)
Salaries	\$33.3	\$36.2	\$35.5
Employee Benefit Plans	\$5.0	\$5.1	\$4.9
Operations and Maintenance	\$20.4	\$15.3	\$14.2
Total Approved Budget*	\$58.6	\$56.6	\$54.6
Total Actual Expenditures	\$55.4	\$55.2	\$51.4

* Totals may not add due to rounding.

Between 2017–18 and 2018–19, FINTRAC's total approved budget decreased by \$2.0M (-3.5%). The voted budget, including salary and operations and maintenance, decreased by \$1.8M, while the statutory budget for the employee benefits plan decreased by \$0.2M. The decrease in the voted budget is primarily attributable to a decrease in the funding profile of temporary funding FINTRAC received in Budget 2014, and a decrease in salary funding for compensation. FINTRAC's salary funding was higher in 2017–18 because of the one time retroactive payments for economic increases made to employees, to be consistent with the federal government's collective agreement with its largest union. The statutory decrease in the employee benefits plan funding follows the decrease in the salary budget.

Compared to last fiscal year, FINTRAC's total actual expenditures decreased by \$3.8M (-6.9%). The decrease is primarily as a result of decreased salary expenses, following the one time retroactive economic increase payments made last fiscal year, and a decrease in professional and special services expenditures, related to the decreased funding profile of Budget 2014.

ANNEX A:

THE VALUE OF FINTRAC DISCLOSURES

WHAT OUR PARTNERS SAY

The disclosure was received in a very timely manner. Combined with previous related proactive disclosures from FINTRAC, it has expanded the scope and understanding of the investigation considerably.

— Royal Canadian Mounted Police

The nature, timeliness, and relevance of the disclosure provided by FINTRAC has been greatly appreciated. This information mentioned in the reports will support my evidence in seeking proceeds of crime and money laundering charges.

— Ontario Provincial Police

FinCEN Enforcement Division greatly appreciates this substantive response from FINTRAC. The extensive and comprehensive information provided is highly beneficial in generating new investigative leads and confirming existing information. FINTRAC's extensively researched and sourced STR's are highly beneficial.

— U.S. Department of the Treasury, Financial Crimes Enforcement Network

Thank you very much for the work done in this project. FINTRAC allowed us to target several financial institutions and confirmed the statements of a registered source, resulting in the granting of all necessary production orders on file.

— Service de police de la Ville de Montréal

Additional, relevant financial information provided by FINTRAC has enabled the OSC to expand the scope of its investigation.

— Ontario Securities Commission

Project Chameleon – Proactive FINTRAC report related to multiple persons involved in a romance scheme. Police contacted the victim and confirmed they had been victimized, losing in excess of \$500,000. The police re-opened the file for further investigation.

— Waterloo Regional Police Service

The information in the FINTRAC disclosure both confirms suspicions of potential money laundering and provides additional insight as to the depth and breadth of activity occurring.

— Canada Border Services Agency, Counter-Proliferation Operations Section

The disclosure was very relevant to our priorities and has given us a significantly better understanding of the foreign side of the individual's financial dealings. The information provided will allow us to better focus our operations on the individual's foreign contacts who are involved financially.

— Communications Security Establishment

Information from FINTRAC helped identify individuals/entities previously unknown to the Service who may be involved in threat-related activity.

— Canadian Security Intelligence Service

ANNEX B:

PROJECT CHAMELEON – A SANITIZED CASE

Through Project Chameleon, FINTRAC's financial intelligence has supported numerous municipal, provincial and federal police investigations related to money laundering and romance fraud. The following sanitized case is drawn from suspicious transaction reports, which were analyzed and used to develop financial intelligence for several Canadian law enforcement agencies and a foreign financial intelligence unit. The financial transactions are typical of those undertaken by individuals who have allegedly perpetrated romance fraud. It should be noted that names, dates, and some facts have been altered or omitted as required under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*.

In this case, a bank submitted a suspicious transaction report indicating that Shelley, the first victim, made multiple large cash deposits totalling over \$100,000. Wire transfers immediately followed these deposits to the perpetrator, Faruk, in Turkey. When asked about the purpose of the funds, she responded that it was to assist family members residing in that country. Shelley also ordered a wire transfer to the second victim, Karen.

FINTRAC received another suspicious transaction report revealing that Karen sent wire transfers totalling \$29,000 to Faruk from her bank account. When asked, Karen explained that her son and a friend were working in Turkey and that funds needed to be sent to their co-worker Faruk, who has a bank account in that country. The bank recognized that her explanation as to why the funds were needed was an indicator of money laundering related to romance fraud highlighted in FINTRAC's Operational Alert: *Laundering of the proceeds of romance fraud*. Karen also unsuccessfully attempted to send funds totalling \$24,000 through five different money services businesses to Faruk. She then sent a wire transfer to the third victim, Margaret.

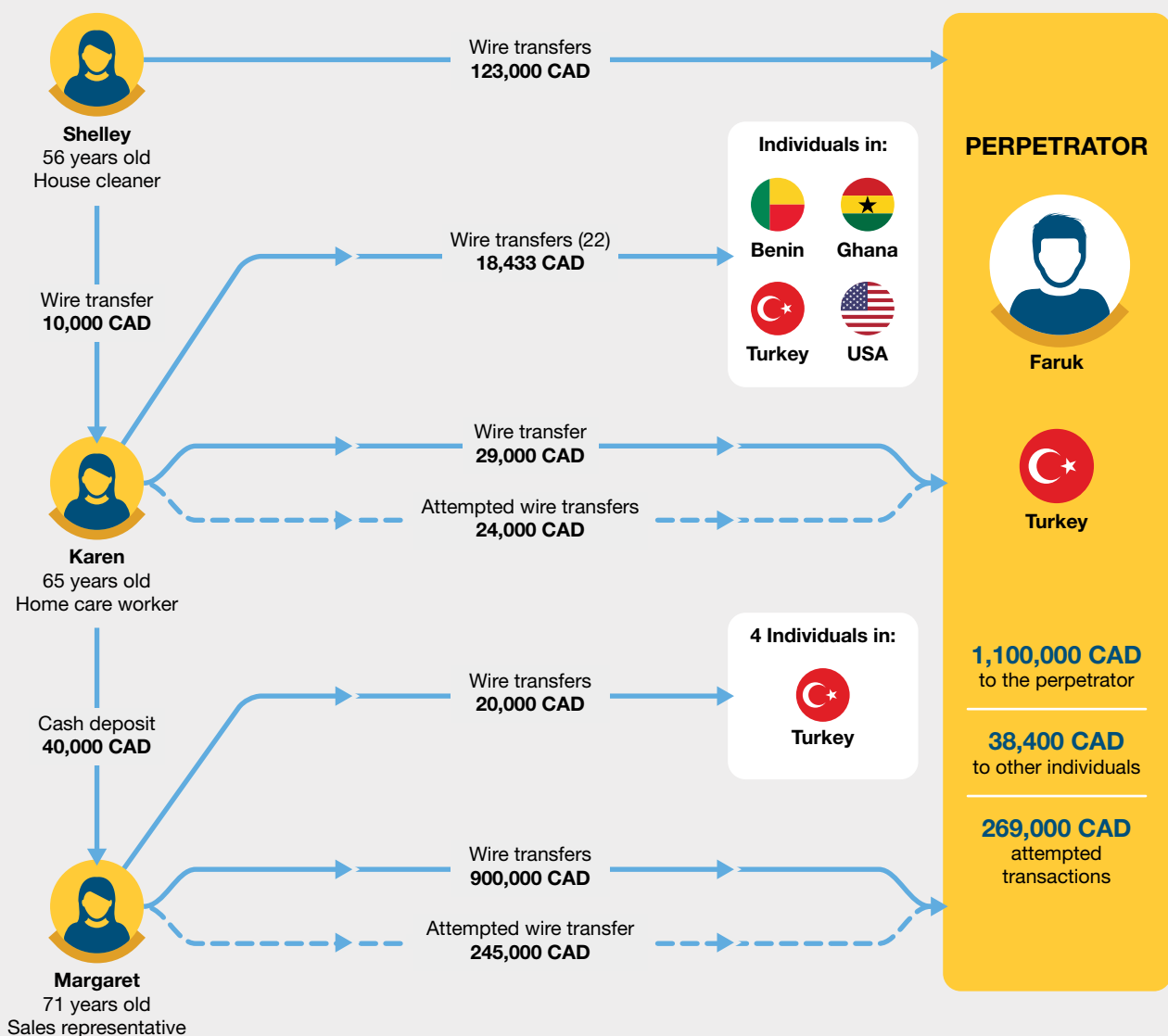
According to information received from the Canadian Anti-Fraud Centre, Margaret filed a complaint indicating that she met Faruk online and fell in love with him. Faruk told her that he was leaving to work in Turkey and, since he did not have a bank account there, he needed Margaret to send him money immediately and he would pay her back later. FINTRAC received suspicious transaction reports from multiple banks based on a number of financial transactions indicating money laundering in relation to a romance fraud scheme. Over the course of several months, Margaret had deposited over \$210,000 in cash and received approximately \$420,000 from the sale of her home. She then ordered a wire transfer of \$900,000 to Faruk in addition to an attempted wire transfer of \$245,000 from her line of credit. Grounds for suspicion reported by these banks included various stories that Margaret told the bank, including that the funds were to assist her daughter and son-in-law to purchase a home in Turkey; that the Turkish government was withholding Faruk's money until he remitted taxes owed; and that the funds were to repay a loan to a friend.

In this case, the victims were also used as money mules, sending money from one victim to another. Money mules are used as part of the layering process of money laundering so that the funds are harder to track. In mass marketing fraud schemes such as romance fraud, perpetrators use the victim's account as a pass-through account by coaching them into allowing scammers to use their bank accounts to move funds on their behalf, often unknowingly.

Using the money laundering indicators developed as part of Project Chameleon, the financial entities were able to recognize the types of financial transactions that are indicative of romance fraud, and subsequently submitted suspicious transaction reports to FINTRAC. With this information, the Centre was able to undertake broader and more detailed analysis and generate proactive financial intelligence disclosures for several Canadian law enforcement agencies, as well as a foreign financial intelligence unit. The law enforcement investigation was still ongoing at the end of the fiscal year.

Project Chameleon has enhanced FINTRAC's ability to develop and disclose actionable financial intelligence to police and law enforcement agencies, leading to the identification, investigation and prosecution of romance fraud schemes. It has also helped to proactively protect victims and their money.

VICTIMS



ANNEX C:

FINANCIAL TRANSACTION REPORTS

LARGE CASH TRANSACTION REPORTS

2018–19	10,055,099	A large cash transaction report is submitted to FINTRAC when a business receives \$10,000 or more in cash in the course of a single transaction, or when it receives two or more cash amounts totalling \$10,000 or more (each of which is less than \$10,000) made within 24 consecutive hours by, or on behalf of, the same individual or entity.
2017–18	10,263,308	
2016–17	10,554,684	

ELECTRONIC FUNDS TRANSFER REPORTS

2018–19	17,627,947	An electronic funds transfer report is submitted to FINTRAC upon the transmission of instructions for the transfer of \$10,000 or more out of or into Canada in a single transaction, or in two or more transactions totalling \$10,000 or more (each of which is less than \$10,000) made within 24 consecutive hours, by or on behalf of the same individual or entity, through any electronic, magnetic or optical device, telephone instrument or computer.
2017–18	14,677,328	
2016–17	13,824,284	

SUSPICIOUS TRANSACTION REPORTS

2018–19	235,661	A suspicious transaction report is submitted to FINTRAC in respect of a financial transaction that occurs or is attempted, and for which there are reasonable grounds to suspect that the transaction is related to the commission or attempted commission of a money laundering or terrorist activity financing offence. Unlike other reporting obligations, there is no monetary threshold associated with the reporting of a suspicious transaction.
2017–18	179,172	
2016–17	125,948	

CROSS-BORDER CURRENCY REPORTS/CROSS-BORDER SEIZURE REPORTS

2018–19	61,583	A cross-border currency report is filed with the Canada Border Services Agency by a person entering or leaving Canada carrying a sum of currency or monetary instruments of \$10,000 or more, or by a person mailing or sending such large sums into or out of Canada. The CBSA then submits the report to FINTRAC. A cross-border seizure report is submitted to FINTRAC by a CBSA officer upon the seizure of cash or monetary instruments.
2017–18	66,281	
2016–17	62,787	

CASINO DISBURSEMENT REPORTS

2018–19	201,145	A casino disbursement report is submitted to FINTRAC when a casino makes a disbursement of \$10,000 or more in the course of a single transaction, or in the course of two or more transactions totalling \$10,000 or more (each of which is less than \$10,000) within 24 consecutive hours received by, or on behalf of, the same individual or entity. This report is not limited to cash disbursements.
2017–18	199,817	
2016–17	185,960	

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