



Memorandum D19-15-1: Part 2.1 - Reporting of Goods, Proceeds of Crime (Money Laundering) Terrorist Financing Act

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Plain language summary

Target audience: Trade chain partners, including importers, exporters, customs brokers, carriers, customs service providers, warehouse operators.

Key content: This memorandum outlines and explains the legislation, regulations and general guidelines that apply to reporting of goods under Part 2.1 of the *Proceeds of Crime (Money Laundering) Terrorist Financing Act* (PCMLTFA) and the *Proceeds of Crime (Money Laundering) Terrorist Financing Reporting of Goods Regulations* (PCMLTFRGR).

Keywords: PCMLTFA, PCMLTFRGR, money laundering, terrorist financing, sanctions evasion, trade-based money laundering (TBML), commercial goods, importer, exporter, program.

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Definitions

For the purposes of this document, the following definitions will apply:

Commercial goods mean goods imported or exported, to or from Canada for sale or for any industrial, occupational, commercial or other like use.

Logistics partner (for the purpose of this Memorandum, as this term is not found in the Act or Regulation) means any business engaged in the transportation or storage of the commercial goods being imported or exported to or from Canada including carriers, freight forwarders, couriers and warehouse operators.

Trader means any person or company that purchases, sells or causes commercial goods to be imported or exported to or from Canada, whether they own the goods or not.

Officer means any person delegated to administer or enforce Part 2.1 of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (PCMLTFA), and the *Proceeds of Crime (Money Laundering) and Terrorist Financing Reporting of Goods Regulations* (PCMLTFRGRs).

Records mean any document, whether written or electronic, described in the *Customs Act*, or any of the corresponding regulations governing the transportation and storage, reporting and accounting, or destruction of goods being imported or exported to or from Canada.

Guidelines

On April 1, 2025, the *Proceeds of Crime (Money Laundering) and Terrorist Financing Reporting of Goods Regulations* (the Regulations) and amendments to the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (the Act) come into force.

The Regulations requires traders to declare whether the imported or exported goods are proceeds of crime or are related to money laundering, terrorist financing, or sanctions evasion; and, attest that the goods are in fact being imported or exported.

Every person and business involved in the trade chain, including traders and logistics partners, are also required to retain records already being maintained for customs and tax purposes; and, truthfully answer questions related to the import or export of goods when asked by an officer.

The regulations also establish an administrative monetary penalty framework to promote compliance with the Act.

Declarations

Effective April 1, 2025, a report or declaration made under the *Customs Act* for any of the current commercial processes will satisfy the requirements in the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (the Act). Therefore, the day-to-day operations of traders or logistics partners remain unchanged.

The CBSA is evaluating which forms or commercial processes, if any, may require updating to include new language to clarify the dual purpose of the reports and declarations. Impacted stakeholders will be advised as changes are made to any forms already in use for commercial processing of imported or exported goods, or to service agreements between the CBSA and participants in any of the reporting, release and accounting programs (e.g. Electronic Data Interchange (EDI), CBSA Assessment and Revenue Management (CARM)).

Commercial goods referred by the CBSA for regulatory investigation under the Act will be detained and notices sent to traders and logistics partners according to existing procedures consistent with all other programs administered or enforced by the CBSA.

Information about the regulatory investigation process will be published in updates to this Memorandum as the program evolves.

Records

Record keeping is already a requirement for all reporting and accounting of imported and exported commercial goods under the *Customs Act* and corresponding *Regulations*, therefore, no changes are necessary.

Traders and logistics partners will be advised on a case-by-case basis if a request for records is being made because of a regulatory investigation under the PCMLTFA.

Guidance

The vast majority of Canadian trading activity is motivated by legitimate economic purpose and financed through legitimate sources. Therefore, existing processes for reporting commercial goods are sufficient, and corresponding payments will be verifiable upon request.

Part 2.1 of the Act and the corresponding Regulations does require the trading and logistics partner community to report if the commercial goods involved in the transaction are proceeds of crime, or are goods related to money laundering, terrorist financing or sanctions evasion, as well to declare that the goods are actually being imported or exported.

Therefore, anyone involved in the trade of commercial goods should be aware of the threat posed by the cross-border movement of illicit financial flows, such as trade-based money laundering (TBML), and the risk they pose to Canadian economic security. Exercising care and due diligence in respect to Part 2.1 of the Act now forms part of expectations for traders and logistics partners.

In general, traders and logistic partners can monitor and report.

Monitoring

1. Review and be aware of the indicators published by the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) and the Financial Action Task Force (FATF) for Trade Based Money Laundering and avoid suspicious trades.
2. Maintain high-standards in reporting and declarations, encourage trusted trading relationships, and refuse to trade in cases when the facts and circumstances are not transparent, or not evidently caused for legitimate economic purposes.
3. Ensure the proper collection and storage of records in respect of the payments for goods; and refuse to trade, transport or store commercial goods in cases when the terms of the trade, including the settlement, are not transparent, or are suspicious.

Reporting

Unless specified as a Reporting Entity, traders and logistics partners are not required to report suspicious financial activity to FINTRAC.

Section 7.1 of the *Customs Act* states that all information provided to an officer in the administration or enforcement of any act of Parliament which prohibits, controls or

regulates the import or export of goods shall be true, accurate and complete. This provision includes the Act and Regulations.

The CBSA assumes that traders and logistics partners will only report legitimate goods. However, any cases of trading activity involving circumstances that are suspected to be related to proceeds of crime, terrorist financing or sanctions evasion, or related to money laundering, can be reported to the CBSA on a case-by-case basis in the following ways:

1. To the nearest CBSA Customs Office and asking to speak to a Border Services Officer or Commercial Supervisor; or,
2. To the CBSA's Border Watch Tip Line by phone or electronic submission.

References

Consult these resources for further information.

Applicable legislation

[*Proceeds of Crime \(Money Laundering\) Terrorist Financing Act*](#)

Proceeds of Crime (Money Laundering) Terrorist Financing Reporting of Goods Regulations ([SOR/2025-67](#))

Regulations Amending the Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations and the Proceeds of Crime (Money Laundering) and Terrorist Financing Administrative Monetary Penalties Regulations ([SOR/2025-68](#))
[*Customs Act*](#)

Reporting of Imported Goods Regulations ([SOR 86-873](#))

Reporting of Exported Goods Regulations ([SOR 2005-23](#))

Imported Goods Records Regulations ([SOR 86-1011](#))

Exporter and Producers Records Regulations ([SOR 97-71](#))

Customs Brokers Licensing Regulations ([SOR 86-1067](#))

Transportation of Goods Regulations ([SOR 86-1064](#))

Related D memoranda

D17-1-4 Documentation Requirements for Commercial Shipments

D4-1-4 Customs Suffrance Warehouses (Para 91 "Record Keeping – Open and Closed")

D7-4-4 Customs Bonded Warehouses (Para 35 "Records")

D2-6-7 Use of Form BSF241, *Non-Monetary General Receipt*

FATF and FINTRAC Trade Based Money Laundering Indicators

[Trade-Based Money Laundering: Risk Indicators](#)

[Trends and Developments: FATF/Egmont Trade-based Money Laundering: Trends and Developments](#)

[Operational alert: Professional money laundering through trade and money services businesses](#)

Issuing office

Border Financial Crime Centre Division
Intelligence and Investigations Directorate
Intelligence and Enforcement Branch

Contact us

[Contact Border Information Services \(BIS\)](#): In the form submission, please indicate:
Inquiry for Part 2.1 – PCMLTFA