| Department Discussion Topic | [Organisation] Comments |
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| **Chapter 1**<br>The Department is seeking views on how to improve corporate ownership transparency and mechanisms to improve timely access to beneficial ownership information by authorities while maintaining the ease of doing business in Canada. This includes considering different beneficial ownership registry models and whether information should be made public. The Department is also seeking views on risks associated with legal entities that are not corporations, such as legal partnerships. | n/a<br>We do not deal with corporations, trusts and other entities as clients. |
| **Chapter 1**<br>The Department is seeking views on risks associated with the areas referenced in this chapter and measures that would address them. | While most of the topics referenced in this section are not applicable to us, record keeping and client identification obligations are relevant. As the Discussion Paper states, the varied dollar amount thresholds can create complexity which may result in a barrier to compliance. If record keeping requirements are too cumbersome, there is a risk that FINTRAC as well as law enforcement and other authorities will not receive accurate reporting to assess money laundering and terrorist financing risks. Additionally, if this record keeping data is to inform other aspects of the regulations (i.e. based on perceived trends), it is beneficial to have streamlined thresholds and clear standards in place that are simple for businesses to implement. |
| **Chapter 2**<br>The Department is seeking views on whether to expand disclosure recipients and on how to improve partnerships related to the exchange of information. | We support the path of expanding disclosure recipients within government and the private sector to enhance efforts to prevent money laundering and terrorist financing when examined in the context of protecting the privacy rights of individuals.<br><br>Given the path being taken on this topic, the intention is similar to the caveats that currently exist in privacy legislation as noted in the Discussion Paper – i.e. "*in order to protect the financial security of Canadians and the Canadian financial system, PIPEDA allows for the disclosure of certain personal information without consent or knowledge of the individual, for example in cases of suspected fraud.*" We view suspected money laundering or terrorist financing as falling in the same camp as suspected fraud.<br><br>In reference to improving partnerships related to the exchange of information, mechanisms for sharing this information must be simple and easy to comply with, including clear and compelling communication as to the intent and purpose of sharing certain information. Any requirements that place undue burden on an entity or agency may not be well received and/or followed. |

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| **Chapter 3**<br>The Department is seeking views on these areas related to intelligence gathering and enforcement where vulnerabilities have been identified. | n/a<br>We are not dealing with any international clients or accepting payments from sources outside of Canada. |
| **Chapter 3**<br>The Department is seeking views on how to address the money laundering and terrorist financing vulnerabilities at the border. | n/a<br>Not applicable to our business as per the previous comment. |
| **Chapter 4**<br>The Department is seeking views on how to modernize the framework to address issues related to MSBs, ID methods, and oversight. | It is a very real problem that some Money Service Businesses and/or non-traditional financial service providers may encounter challenges in maintaining accounts with traditional financial institutions as a consequence of the de-risking trend.<br><br>We ask that the topic of de-risking also be considered in the context of fostering innovation and providing digital financial options to consumers. For instance, many false assumptions are made about fintech companies (e.g. the degree of regulatory oversight and compliance competencies). Traditional financial institutions should take a balanced view of due diligence with their clients and potential clients to understand the whole business, rather than one aspect that may initially present as "high risk".<br><br>As a Canadian fintech company, we are pleased to see the intent to "modernize" the framework and the recognition of the fintech space in the Discussion Paper as follows:<br><br>"*The rapid rate of growth and innovation in the financial technology (fintech) sector, and concepts of "digital ID" more specifically, calls for strengthening current identification methods, exploring new identification methods, while trying to leverage new technologies to facilitate and enhance the effectiveness of customer due diligence for the purposes of the AML/ATF Regime.*"<br><br>In relation to Know Your Client (KYC) practices, we believe that legislation needs to keep pace with technology for ascertaining identity. The requirements around verifying certain identification in-person limit the ability to complete secondary checks where enhanced due diligence may be required for companies that operate digitally with no bricks and mortar locations. There are also challenges with exact matching of information to credit files as many clients will not pass through KYC due to minor errors in their address as one example.<br><br>We are in favour of a regulatory sandbox approach for fintech companies (and not limited to "startups") to comply with AML/ATF requirements (e.g. reasonable time periods, further consideration of digital KYC practices, FINTRAC checklists, etc.) |

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| **Chapter 4**<br>The Department is seeking views on how to address issues related to Administrative Monetary Penalties. | Should a company be deemed to be in violation of the regulations, it is important to preserve the appeal process and ability to apply for a confidentiality order. Most financial services companies have measures in place to ensure compliance and would not knowingly violate the regulations given a low tolerance for reputation risk. Some protections from public naming are reasonable. Penalties need to be fair and set against a full view of the facts and the history of compliance by the company in question should be considered, as well as the maturity of their compliance program. |
| **Chapter 5**<br>The Department is seeking views on these issues related to administrative definitions and provisions. | We are in favour of streamlining the reporting schedules and creating one uniform reporting schedule that could be useful to reduce regulatory burden and unnecessary duplication. |