

May 25, 2018

Re: Reviewing Canada's Anti-Money Laundering and Anti-Terrorist Financing Regime (AML/ATF)

[Organisation] has reviewed the Ministry of Finance's above-noted consultation paper. **[Organisation]** would like to provide some general comments for the Ministry's consideration as further study of this issue is undertaken.

General Comments Regarding the AML/ATF Consultation Paper

[Organisation] supports the federal government's views of a risk-based approach and not creating an undue burden on reporting agencies. **[Organisation]** agrees that a balance that must be struck when considering additional legislative action in this area. Of note is that an expansion of the current regulatory framework must be thoughtfully considered for both implementation and compliance, and any potential impacts to Canada's competitive landscape for industries that previously haven't been included in the regulatory regime.

With respect to the comments outlined in Chapter One of the consultation paper relating to expanding the scope of AML/ATF to Finance, Lease and Factoring companies: **[Organisation]** urges the Ministry of Finance to hold consultations with potentially impacted stakeholders in the alternative financial services sector to fully understand both the nature of business activities and the implications of a potential expansion of AML/ATF frameworks to capture these offerings. In particular, the non-prime lending space in the alternative financial services sector is one in which all service providers have been advocating for policies to increase innovation and reduce barriers to entry for new participants. It is for this reason that we believe consultations with the industry will inform the Ministry of Finance in its policy considerations as it decides upon a path forward.

We look forward to an opportunity for further discussion as the Ministry undertakes its work in this important area.