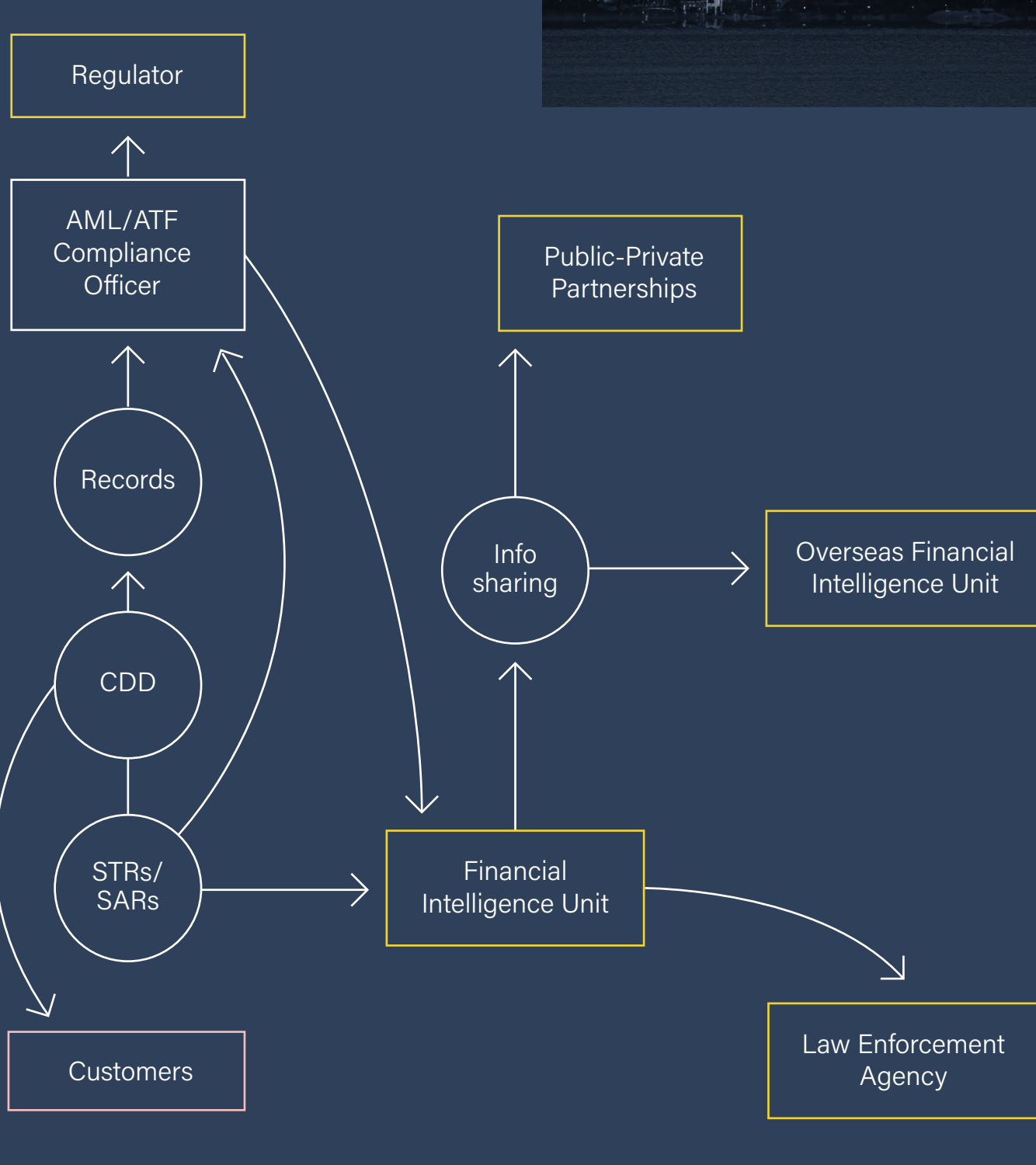


## Five Key Touchpoints in Canada's AML/ATF Ecosystem

The AML/ATF ecosystem shapes FinTechs' regulatory responsibilities in Canada. As the term "ecosystem" implies, for the system to work effectively, firms, regulators, and designated individuals must work together effectively. Conducting business on their own terms isn't enough.

This infographic spotlights five critical responsibility and opportunity areas for FinTechs in Canada.



### 01. Registering with FINTRAC

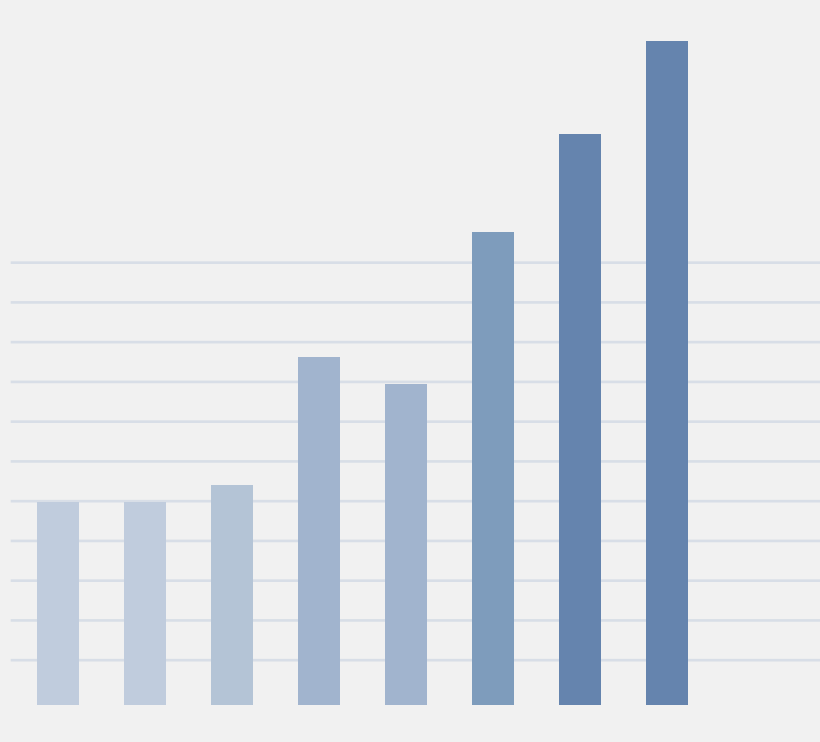
The first foundational step for FinTechs is registering with FINTRAC. Even firms operating in Canada should review the latest guidance from the regulator, as registration requirements can change quickly.

For example, following changes effective from April 5, 2022, some payment transfers such as credit, debit, and pre-paid products may now meet the definition of exchange-traded funds (ETFs).

### 02. Appointing an AML/ATF Officer

A key hire for any FinTech, this person is a member of senior management, establishes compliance programs, and submits suspicious transaction reports (STRs).

The officer will also consider how to best staff the wider compliance function and how it can scale quickly if necessary.



### 03. Conducting Customer Due Diligence (CDD) and Know Your Customer measures (KYC)

Verifying customers' identities at throughout, and the client lifecycle, is a core responsibility of the compliance team.

Firms should see this as a dynamic, ongoing process, with the level of diligence applied based on a firm's risk appetite and risks related to particular products and customers.

### 04. Submitting suspicious transaction reports (STRs)

The customer due diligence (CDD) process sometimes uncovers a name on a watchlist or a suspicious pattern of behavior. If further checks don't eliminate the cause for concern, FinTechs must report the issue to the designated AML/ATF Officer.

They will submit a report to the Financial Intelligence Unit (FIU), in this case, FINTRAC, through authorized channels. FinTechs should have policies, procedures, and training detailing how to submit STRs to FINTRAC.

### 05. Maintaining appropriate records

Data generated by the processes listed in steps one to four must be maintained via proper records for a minimum period of time.

This data can also support information-sharing, e.g., through public-private partnerships. These are increasingly popular with regulators as a way to identify common threats and best practices.

## A Guide to AML for Canadian FinTechs

Uncover the core compliance responsibilities that arise from Canada's AML/ATF regime and how FinTechs should respond using a risk-based approach.

[Download the guide](#)

