

# Advisory

## Updated Reporting Requirements Under the PCMLTFA Related to Suspected Sanctions Evasions

---

**Date:** August 21, 2024

**Distribution:** B.C. Credit Unions, Trust Companies Authorized in B.C., and B.C. Real Estate Licensees

**Advisory Number:** 24-036

---

### PURPOSE

This Advisory is to inform the credit union, trust, and real estate segments in B.C. that amendments to the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (“PCMLTFA”), under *Bill C-59, The Fall Economic Statement Implementation Act, 2023* (“Bill C-59”), came into effect on August 19, 2024, requiring additional reporting under the PCMLTFA.

### BACKGROUND

Recent amendments to the PCMLTFA will require reporting entities, which includes credit unions, trust companies, and real estate licensees, to submit a suspicious transaction report to the Financial Transactions and Reports Analysis Centre of Canada (“FINTRAC”) if there are reasonable grounds to suspect that a financial transaction is related to a sanctions evasion offence.

A sanctions evasion offence is an offence arising from the contravention of a restriction or prohibition established by an order or a regulation made under the *United Nations Act*, the *Special Economic Measures Act*, or the *Justice for Victims of Corrupt Foreign Officials Act (Sergei Magnitsky Law)*. Characteristics of transactions associated with sanctions evasion include the use of intermediaries, offshore banking, complex corporate structures, or the use of proxies.

The PCMLTFA provides the federal Minister of Finance with the authority to issue Ministerial Directives, which prohibits any person or entity in Canada and any Canadian outside of Canada from entering into a financial transaction going to or coming from designated foreign jurisdictions or entities. Three directives are currently in force in relation to Russia, the Islamic Republic of Iran, and the Democratic People’s Republic of Korea.

Where there are reasonable grounds to suspect that a financial transaction may be related to an attempt to circumvent or violate the above directives, reporting entities subject to the PCMLTFA are required to submit a suspicious transaction report to FINTRAC.

Reporting entities should remain vigilant for transaction characteristics suggestive of sanctions evasion. If suspicions arise, filing a suspicious transaction report with FINTRAC is mandatory.

### ADDITIONAL INFORMATION

- More information is available in FINTRAC’s [Special Bulletin on Financial Activity Associated with Suspected Sanctions Evasion](#).

- Guidance on how to report suspected sanctions-evading transactions is available from FINTRAC: [Report Suspected Sanctions Evasion](#).

If you have any questions about this Advisory, please contact [policy@bcfsa.ca](mailto:policy@bcfsa.ca).