

# REAL ESTATE BROKERS OR SALES REPRESENTATIVES AND REAL ESTATE DEVELOPERS



The following summary of the legislative requirements under the PCMLTFA applies to you if you are a real estate broker or sales representative when you act as an agent regarding the purchase or sale of real estate. These requirements do not apply to your activities related to property management. A real estate broker or real estate sales representative means an individual or an entity that is registered or licensed in a province to sell or purchase real estate.

Effective February 20, 2009, if you are a real estate developer, these requirements apply to you when you sell to the public a new house, a new condominium unit, a new commercial or industrial building, or a new multi-unit residential building. A real estate developer means an individual or an entity other than a real estate broker or sales representative who in any calendar year after 2007 has sold the following to the public:

- at least five new houses or condominium units;
- at least one new commercial or industrial building;
- at least one new multi-unit residential building each of which contains five or more residential units; or
- at least two new multi-unit residential buildings that together contain five or more residential units.

If you are an employee of a reporting entity, these requirements are the responsibility of your employer except with respect to reporting suspicious transactions and terrorist property, which is applicable to both.

If you are a real estate agent acting on behalf of a broker, these requirements are the responsibility of the broker except with respect to reporting suspicious transactions and terrorist property, which is applicable to both.

## REPORTING

### Suspicious Transactions

You must report where there are reasonable grounds to suspect that a transaction or an attempted transaction is related to the commission or attempted commission of a money laundering offence or a terrorist activity financing offence.

See *Guideline 2: Suspicious Transactions* and *Guideline 3: Submitting Suspicious Transaction Reports to FINTRAC*

### Terrorist Property

You must report where you know that there is property in your possession or control that is owned or controlled by or on behalf of a terrorist or a terrorist group.

See *Guideline 5: Submitting Terrorist Property Reports to FINTRAC*

### Large Cash Transactions

You must report large cash transactions involving amounts of \$10,000 or more received in cash.

See *Guideline 7: Submitting Large Cash Transaction Reports to FINTRAC*

## RECORD KEEPING

You must keep the following records:

- Large cash transaction records
- Receipt of funds records
- Client information records
- Copies of official corporate records (binding provisions)
- Copies of suspicious transaction reports

See *Guideline 6B: Record Keeping and Client Identification for Real Estate*

## ASCERTAINING IDENTITY

You must take specific measures to identify the following individuals or entities:

- Any individual who conducts a large cash transaction
- Any individual or entity for whom you have to keep a client information record or a receipt of funds record
- Any individual for whom you have to send a suspicious transaction report (reasonable measures and exceptions apply)

## THIRD PARTY DETERMINATION

Where a large cash transaction record is required, you must take reasonable measures to determine whether the individual is acting on behalf of a third party. When a client information record is required, you must take reasonable measures to determine whether the client is acting on behalf of a third party.

In cases where a third party is involved, you must obtain specific information about the third party and their relationship with the individual providing the cash or the client.

See *Guideline 6B: Record Keeping and Client Identification for Real Estate*

## COMPLIANCE REGIME

The following five elements must be included in a compliance regime:

- The appointment of a compliance officer
- The development and application of written compliance policies and procedures
- The assessment and documentation of risks of money laundering and terrorist financing and measures to mitigate high risks
- Implementation and documentation of an ongoing compliance training program
- A documented review of the effectiveness of policies and procedures, training program and risk assessment

See *Guideline 4: Implementation of a Compliance Regime*

Revised August 2008