

BILL C-12 & FINTRAC

What Every Brokerage Needs to Know

On March 25, 2026, Bill C-12 (*Strong Borders, Stronger Canada Act*) received Royal Assent, amending the Proceeds of Crime (Money Laundering) and Terrorist Financing Act. The changes significantly increase the consequences for non-compliance and apply immediately to every real estate brokerage in Canada.

Penalty Ceiling: Before vs. After Bill C-12

	Before Bill C-12	After Bill C-12	Change
Per individual violation	Up to \$100,000	Up to \$4,000,000	40× increase
Per entity violation	Up to \$500,000	Up to \$20,000,000	40× increase

For a small or mid-size brokerage, a penalty at these levels is not a cost of doing business. It is a firm-ending risk.

What Else Changed Under Bill C-12

Mandatory compliance agreements	A brokerage that fails an examination can be compelled into a formal remediation process with deadlines. Under the old regime, agreements were optional. You can no longer simply pay a penalty and move on.
Expanded enforcement	More structured information-sharing and supervision across the AML system. FINTRAC's coordination with law enforcement and other regulators is tightening.
Higher standard	Compliance programs must now be "reasonably designed, risk-based and effective" — not merely existing on paper. This means generic, off-the-shelf programs may no longer be sufficient.

The 5 Mandatory Compliance Pillars

Every brokerage must have all five. A gap in any one means non-compliance.

1	Written compliance program	Policies and procedures tailored to your brokerage's specific operations, client base, and risk profile.
2	Designated compliance officer	A named individual with authority to implement the program. Usually the broker of record at a smaller firm.
3	Risk assessment	A documented assessment of your brokerage's ML/TF risks using FINTRAC's 6-step methodology. This is the area where 88% of penalized brokerages failed.
4	Ongoing training program	All agents must be trained before they deal with clients. Completion must be documented with signed records.
5	Biennial effectiveness review	A formal review every two years to test whether the program is working. Must be documented.

Current Enforcement Activity

\$2.6M+	24	88%	#1
Total penalties imposed on real estate brokerages since 2021	Brokerages penalized across Canada	Failed on inadequate risk assessment	Real estate remains Canada's top ML risk sector