

THE 5 MANDATORY PILLARS

of a FINTRAC Compliance Program

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

#	Pillar	What It Covers	What FINTRAC Looks For
1	Appointment of a Compliance Officer A named individual with authority and access to resources to implement the compliance program.	In smaller brokerages, this is usually the Broker of Record. The Compliance Officer is responsible for submitting all FINTRAC reports, maintaining records, overseeing training, and ensuring the program is followed.	The appointment is documented in writing with a date and signature. The named CO can explain the program and their duties.
2	Written Policies and Procedures A customized compliance manual documenting how the brokerage meets every PCMLTFA obligation.	Covers: client ID verification (3 methods), corporate/entity ID, unrepresented party ID, receipt of funds, large cash and virtual currency transactions, suspicious transaction reporting, PEP/HIO screening, beneficial ownership, sanctions awareness, and Ministerial Directives. Must reflect the brokerage's actual operations — not generic boilerplate.	Every section is filled in with brokerage-specific procedures. No blank sections. No "N/A" without explanation.
3	Risk Assessment A documented assessment of the brokerage's money laundering and terrorist financing risks using FINTRAC's 6-step methodology.	Scores all products/services, geographic factors, delivery channels, technology, and client clusters. Each score must include written rationale. Establishes risk tolerance and documents mitigation measures. Must be reviewed every two years.	Every risk score has a written "why." The rationale is internally consistent and reflects the brokerage's actual business. This is where 88% of penalized brokerages failed.
4	Ongoing Training Program A written training program that is delivered to every agent and employee, with documented completion records.	New agents must be trained BEFORE they deal with clients. Training must cover: FINTRAC obligations, how to complete each form, suspicious transaction indicators, PEP/HIO awareness, sanctions screening, and the brokerage's specific procedures. Refresher training required when regulations change.	A written training plan exists. Every agent has a signed Certification of Completion on file with the date of training. The CO can produce these records within 30 days of a FINTRAC request.
5	Biennial Effectiveness Review A formal review conducted at least every two years to test whether the compliance program is actually working.	Must include: review of policies and procedures for currency, audit of sample client files for completeness, verification of training records, assessment of whether the risk assessment is still accurate, and documented findings with recommendations. Must be conducted by someone independent of the person implementing the program.	A written review report exists with findings, deficiencies noted, and corrective actions taken. The review date is documented. The next review is scheduled.

Source: Proceeds of Crime (Money Laundering) and Terrorist Financing Act (PCMLTFA), FINTRAC Compliance Program Requirements, CREA FINTRAC FAQs (November 2025).

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