

**Guideline 7A: Submitting Large Cash Transaction  
Reports to FINTRAC Electronically**

# **Guideline 7A: Submitting Large Cash Transaction Reports to FINTRAC Electronically**

## **March 24, 2003**

This replaces the previous version of *Guideline 7A: Submitting Large Cash Transaction Reports to FINTRAC Electronically* issued in January 2003. The changes made since the version published in August 2002 are indicated by a side bar to the right of the modified text.

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# 1 General

The following persons or entities have to report large cash transactions to the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC):

- financial entities (such as banks, credit unions, caisses populaires, trust and loan companies and agents of the Crown that accept deposit liabilities);
- life insurance companies, brokers and agents;
- securities dealers, portfolio managers and investment counsellors;
- persons and entities engaged in the business of foreign exchange dealing;
- money services businesses (including alternative remittance systems, such as Hawala, Hindi, Chitti, etc.);
- Canada Post and its agents for money orders;
- accountants and accounting firms (when carrying out certain activities on behalf of their clients);
- real estate brokers or sales representatives (when carrying out certain activities on behalf of their clients); and
- casinos (including those authorized to do business in Canada with a slot machine or roulette or card games, but excluding certain temporary charity casinos).

If you are one of these reporting persons or entities, this guideline has been prepared by FINTRAC to help you submit large cash transaction reports electronically starting January 31, 2003. It explains reporting timelines, how reports have to be sent to FINTRAC, and what information has to be included in these reports. It also explains who has to report large cash transactions if you are a reporting person or entity and are an employee, an agent or acting on behalf of another reporting person or entity.

This guideline uses plain language to explain the most common reporting situations under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (the Act) as well as the related Regulations. It is provided as general information only. It is not legal advice, and is not intended to replace the Act and Regulations. For more information about money laundering, terrorist financing or other requirements under the Act and Regulations, see the guidelines in this series:

- *Guideline 1: Background* explains money laundering and terrorist financing and their international nature. It also provides an outline of the legislative requirements as well as an overview of FINTRAC's mandate and responsibilities.
- *Guideline 2: Suspicious Transactions* explains how to report a suspicious transaction. It also provides guidance on how to identify a suspicious transaction, including general and industry-specific indicators that may help when conducting or evaluating transactions.
- *Guideline 3: Submitting Suspicious Transaction Reports to FINTRAC* explains when and how to submit suspicious transaction reports.
- *Guideline 4: Implementation of a Compliance Regime* explains the requirement for reporting persons and entities to implement a regime to ensure compliance with their obligations under the Act and associated Regulations.

- *Guideline 5: Submitting Terrorist Property Reports to FINTRAC* explains to reporting persons and entities when and how to submit a terrorist property report.
- *Guideline 6: Record Keeping and Client Identification* explains the requirement for reporting persons and entities to identify their clients and keep records. There are eight different versions of Guideline 6, by sector.
- *Guideline 7: Submitting Large Cash Transaction Reports to FINTRAC* explains when and how to submit large cash transaction reports.
- *Guideline 8: Submitting Electronic Funds Transfer Reports to FINTRAC* explains when and how to submit electronic funds transfer reports.

If you need more help after you read this or other guidelines, call FINTRAC's national toll-free enquiries line at 1-866-346-8722.

Throughout these guidelines, several references are provided to additional information that may be available on external Web sites. FINTRAC is not responsible for the accuracy or reliability of the information contained on those external Web sites.

## 2 Large Cash Transaction Reporting Requirements

Throughout this guideline, any references to dollar amounts (such as \$10,000) refer to the amount in Canadian dollars or its equivalent in foreign currency.

Furthermore, all references to cash mean money in circulation in any country (bank notes or coins). In this context, cash does not include cheques, money orders or other similar negotiable instruments.

### 2.1 When Does a Large Cash Transaction Report Have to be Made?

Effective January 31, 2003, if you are a reporting person or entity (see Section 1 above), you have to send a large cash transaction report to FINTRAC in the following situations:

- You receive an amount of \$10,000 or more in cash in the course of a single transaction; or
- You receive two or more cash amounts of less than \$10,000 that total \$10,000 or more. In this case, if you are an individual, you have to make a large cash transaction report if you know the transactions were made within 24 consecutive hours of each other by or on behalf of the same individual or entity. If you are an entity, you have to make a large cash transaction report if your employee or senior officer knows the transactions were made within 24 consecutive hours of each other by or on behalf of the same individual or entity.

You have to send large cash transaction reports to FINTRAC within the following timeframes, depending on when the transaction occurred:

- For transactions that happen between January 31, 2003 and June 12, 2003, large cash transaction reports must be sent within 30 days after the transaction; and
- For transactions that happen after June 12, 2003, large cash transaction reports must be sent within 15 days after the transaction.

If you are a reporting person and an employee of a reporting person or entity, your employer is responsible for meeting the large cash transaction reporting requirement associated to any of your activities as an employee.

Similarly, if you are a reporting person or entity and you are an agent of or you are authorized to act on behalf of a reporting person or entity, it is that reporting person or entity's responsibility to meet the large cash transaction reporting requirement associated to any of your activities on their behalf. However, if you are a life insurance broker or independent agent, you are responsible for reporting to FINTRAC (unless you are an employee as explained above).

You do **not** have to make a large cash transaction report to FINTRAC if the cash is received from a financial entity. In this context, a financial entity means a bank, credit union, caisse populaire, a trust and loan company or an agent of the Crown that accepts deposit liabilities.

If you are a reporting person or entity other than a casino, you do **not** have to make a large cash transaction report to FINTRAC if the cash is received from a public body. In this context, a public body means any of the following or their agent:

- a provincial or federal department or Crown agency;
- an incorporated municipal body (including an incorporated city, town, village, metropolitan authority, district, county, etc.);
- a hospital authority. A hospital authority means an organization that operates a public hospital and that is designated to be a hospital authority for GST/HST purposes. For more information on the designation of hospital authorities, refer to GST/HST Memoranda Series, Chapter 25.2, *Designation of Hospital Authorities* available from the following Web site: <http://www.cra-adrc.gc.ca/E/pub/gm/25-2/README.html>

Financial entities may choose, in certain specific circumstances, an alternative to making large cash transaction reports for certain clients that are corporations. If you are a financial entity, see Section 5 (below) for more information about this.

## **2.2 Cash Transactions in Foreign Currency**

If a cash transaction is in foreign currency, you will need to check whether it is the equivalent of 10,000 Canadian dollars or more to determine whether or not it is reportable as a large cash transaction. For this purpose only, use the last noon rate provided by the Bank of Canada available at the time of the transaction. This calculation is not based on the actual exchange rate used to process the transaction — this is only to check whether the \$10,000 threshold is met for the transaction to be reportable as a large cash transaction.

For example, for a cash transaction in foreign currency that happened at 9:00 am on Tuesday following a holiday Monday, you would use the Bank of Canada noon rate from the previous Friday to determine whether it is a large cash transaction. You can find the noon rate applicable at the time of a transaction on the Bank of Canada Web site at <http://www.bankofcanada.ca/en/exchange.htm>. If there is no Bank of Canada noon rate published for the currency of the transaction, use the actual exchange rate applied when you processed the transaction to determine whether it is reportable.

Once you have determined that a cash transaction in foreign currency is in fact reportable based on the Bank of Canada noon rate, you will have to send a large cash transaction report to FINTRAC. On this report, you will indicate any amounts involved in the transaction in foreign currency, and indicate the appropriate currency code. The large cash transaction report does not require information about any exchange rate applicable to the transaction. The exchange rate is only relevant to determine whether or not the transaction is a large cash transaction.

## 2.3 Other Requirements Associated with Large Cash Transactions

In addition to the reporting requirements explained in this guideline, consider the following relating to a large cash transaction:

### **Record keeping and client identification**

Large cash transactions have associated record keeping and client identification requirements that came into effect on June 12, 2002. These are explained in *Guideline 6: Record Keeping and Client Identification*.

### **Electronic funds transfer report**

If a large cash transaction results in an electronic funds transfer, you may have to make an electronic funds transfer report to FINTRAC about the same transaction in addition to the large cash transaction report.

For more information about making electronic funds transfer reports, consult *Guideline 8: Submitting Electronic Funds Transfer Reports to FINTRAC*.

### **Suspicious transaction report**

If anything about a large cash transaction gives you reasonable grounds to suspect that it could be related to a money laundering or a terrorist activity financing offence, you have to make a suspicious transaction report to FINTRAC. This would be in addition to making the large cash transaction report about the same transaction as required.

The suspicious transaction report has very similar fields to those of a large cash transaction report. There are some differences, such as a field in the suspicious transaction report for you to explain your suspicion about the transaction. There is also a field in that report for you to describe what action, if any, was taken by you as a result of the suspicious transaction. This would include stating that you have made a large cash transaction report for the same transaction (if that is the case).

For more information about suspicious transaction reports, consult the following:

- *Guideline 1: Background*
- *Guideline 2: Suspicious Transactions*
- *Guideline 3: Submitting Suspicious Transaction Reports to FINTRAC*

### **Transactions related to terrorist property**

If you know that any proposed transaction is related to property owned or controlled by or on behalf of a terrorist or a terrorist group, you cannot complete the transaction. This is because terrorist property must be frozen under the *United Nations Suppression of Terrorism Regulations* as well as the *Criminal Code*.

For more information about this and to find out what your obligations are regarding any terrorist property in your control or possession, consult the following:

- *Guideline 1: Background*
- *Guideline 5: Submitting Terrorist Property Reports to FINTRAC*



## **2.4 Means of Reporting to FINTRAC**

### **Electronic Reporting**

As a reporting person or entity, you will have to submit all large cash transaction reports to FINTRAC **electronically** if you have the technical capabilities to do so. The minimum technical capabilities are as follows:

- A personal computer with the following characteristics:
  - 32 MB memory
  - 640 x 480 VGA video display (800 x 600 or higher is preferable)
  - any operating system running the following Web browsers: Internet Explorer version 5.x (Windows® 98/Me/NT/2000); and
- An Internet connection

See Section 3 (below) for more information on submitting reports to FINTRAC electronically.

### **Paper Reporting**

If you do not have the technical capabilities to send reports electronically, you must submit reports on paper. See *Guideline 7B: Submitting Large Cash Transaction Reports to FINTRAC by Paper* for more information.

## 3 Electronic Reporting

### 3.1 Options for Electronic Reporting

As a reporting person or entity, you will have to report large cash transactions electronically to FINTRAC if you have the technical capabilities (see Section 2.3 above).

There are several options for electronic reporting:

- FINTRAC's secure Web site for low volume and low frequency reporting;
- FINTRAC's secure Web site with public key infrastructure (PKI) for low volume but high frequency reporting; and
- Batch file transfer for high volume and high frequency reporting.

For low volume reporting, FINTRAC is developing a stand-alone software application for you to capture, store, maintain and submit your electronic reports. More information about FINTRAC's Report Preparation Software is available from the Reporting section of FINTRAC's Web site ([http://www.fintrac.gc.ca/reporting--declaration/1\\_e.asp](http://www.fintrac.gc.ca/reporting--declaration/1_e.asp)), by selecting large cash transaction report type and a reporting frequency of less than five reports per week.

All these options provide for secure encrypted transmission to ensure data confidentiality and integrity. Reporting via batch or through FINTRAC's secure Web site using PKI will require more advanced technical capability than explained in Section 2.3 (above). For more information about which of these is more appropriate for you, please refer to the reporting area of FINTRAC's Web site ([http://www.fintrac.gc.ca/reporting--declaration/1\\_e.asp](http://www.fintrac.gc.ca/reporting--declaration/1_e.asp)).

### 3.2 How to Complete Electronic Reports

#### Reporting via the Web

FINTRAC's Web site will eventually contain all the forms for all required reports as these reporting requirements come into effect. Senders will be able to select the appropriate one for the circumstances.

The large cash transaction reporting screens contain completion instructions. Drop-down menus appear wherever a code or specific selection is required. In addition, details concerning formatting of a particular field may appear at the bottom of your screen.

See Section 4 (below) for additional completion instructions. It also includes details of what each field must contain for a large cash transaction report.

#### Reporting via Batch File Transfer

If you send on average at least five reports per week to FINTRAC over a 12-week period, you can use the batch file reporting mechanism. To do so, you will require a PKI certificate and specialized software available from FINTRAC. Consult the specifications document called *Standard Batch Reporting Instructions and Specification* for more information about

batch reporting, available from the publications area of FINTRAC's Web site (see technical documentation at [http://www.fintrac.gc.ca/publications/pub\\_e.asp](http://www.fintrac.gc.ca/publications/pub_e.asp)).

### 3.3 Acknowledgement of Receipt of an Electronic Report

FINTRAC will send you an acknowledgement message when your large cash transaction report has been received electronically. This will include the date and time your report was received and a FINTRAC-generated identification number. Please keep this information for your records.

For all reports submitted via the FINTRAC secure web site, please ensure you wait for the FINTRAC acknowledgement message before closing any window after sending your report. This acknowledgement message can be printed from the browser window.

### 3.4 Report Corrections

If your large cash transaction report contains incomplete information, FINTRAC may notify you. The notification will indicate the date and time your report was received, a FINTRAC-generated identification number, along with information on the fields that must be completed or corrected.

After receiving FINTRAC's notification, you should provide the necessary information to FINTRAC within the reporting deadline. In other words, this information should be sent to FINTRAC within the following time frames:

- 30 days after the transaction if the transaction happens between January 31, 2003 and June 12, 2003.
- 15 days after the transaction if the transaction happens after June 12, 2003.

Your obligation to report will not be fulfilled until you send the **complete** report to FINTRAC.

## 4 Instructions for Completing a Large Cash Transaction Report

### 4.1 General Instructions for Completing a Large Cash Transaction Report

The fields in this section refer to the numbered areas on the *Large Cash Transaction Report* screens. As explained in Section 2.3 (above), if you do not have the technical capability to report electronically, refer to *Guideline 7 B: Submitting Large Cash Transaction Reports to FINTRAC by Paper* for more information

To make a large cash transaction report, select this report from the drop-down menu of reports available from the [reporting area](http://www.fintrac.gc.ca/reporting--declaration/1_e.asp) of FINTRAC's Web site ([http://www.fintrac.gc.ca/reporting--declaration/1\\_e.asp](http://www.fintrac.gc.ca/reporting--declaration/1_e.asp)). Indicate your reporting frequency and click on "Proceed with the report". You will then be presented with the reporting mechanisms available to you.

The instructions that follow in Sections 4.2, 4.3 and 4.4 are based on the reporting screens through FINTRAC's secure Web site. However, the information about how to complete the fields can also be useful to those completing large cash transactions through any electronic mechanism.

### 4.2 Instructions for Reporting Screens on FINTRAC's Web site

Before you get to the reporting screens, you will be asked if you are submitting a new report, or if this is a change to a previously submitted report. Section 4.3 (below) contains instructions for submitting a new report. Section 4.4 contains instructions for submitting a change to a previously submitted report.

You are also able to send a simulated report (for training purposes) by selecting the "Simulation" option.

### 4.3 Instructions for Submitting a New Report

There are seven parts to the large cash transaction report, but some are only to be completed if applicable.

All fields of the report marked with an asterisk (\*) **have to be completed**. Some fields have both an asterisk and "where applicable" next to them. These have to be completed if they are applicable to you or the transaction being reported. For all other fields, you have to make reasonable efforts to get the information. "Reasonable efforts" means that you tried to get the information requested on the report. If the information is available to you, you must provide it in the report. If the information was not available at the time of the transaction, and it is not contained in your files or records, the field may be left blank.

In summary, to report a large cash transaction follow the following four steps:

- Step 1 — Complete Part A to provide information about you as the reporting entity or person. Click on “next” at the bottom of Part A (under field 11) to go on to Step 2.

Throughout the report, if you have not completed any mandatory fields in any part, you will get a message to let you know which fields are missing. Click on “cancel” to go back and complete them. For fields that are mandatory where applicable, click on “cancel” to go back and complete them if those fields are applicable to you. If they are not applicable, click on “OK” to continue.

- Step 2 — Complete Part B1 to provide details about the transaction. If you have to include more than one transaction in your report (for cash transactions of less than \$10,000 made within 24 consecutive hours of each other that total \$10,000 or more), repeat steps 2, 3 and 4 for each one. Click on “next” at the bottom of Part B1 (under field7) to go on to Step 3.
- Step 3 — Provide details about the transaction’s disposition. To do this, complete Part B2. Depending on the disposition, you may also have to complete Part C and Part F or G.

If the transaction’s disposition was on behalf of the person who conducted the transaction, follow the instructions in Step 3A below. If the transaction’s disposition was on behalf of anyone other than the person who conducted the transaction, follow the instructions in Step 3B below.

- Step 3A

If the disposition was on behalf of the **person who conducted the transaction** (i.e., not on behalf of a business, other entity or another individual), click on “not applicable” at the top of Part B2. When you click on “next” at the bottom of Part B2 after completing the appropriate fields, you will go to Part C in case the disposition was related to an account.

If the disposition was not related to an account, click on “next” at the bottom of Part C to go to Step 4. If the disposition was related to an account, Part C is applicable. Complete Part C before going on to Step 4.

If you need to include another disposition for this transaction, click on “next disposition” instead of “next” at the bottom of Part C.

- Step 3B

If the disposition was on behalf of someone **other than** the person who conducted the transaction, click on “entity (other than an individual)” or “another individual” to indicate on whose behalf it was

done. You will have to complete Part F (on behalf of a business, corporation or other entity) or Part G (on behalf of an individual).

Before you get to Part F or G, when you click on “next” at the bottom of Part B2, you will go to Part C in case the disposition was related to an account. If the disposition was related to an account, Part C is applicable. Complete Part C to provide details about the account before clicking on “next” to continue on to Part F or G. If the disposition was not related to an account, click on “next” under field 5 of Part C to get Part F or G, as required.

There are two screens to be completed for Part F, and two screens for Part G. Once you have completed each screen as required, click on “next”. At the end of Part F or G, clicking on “next” will bring you to Step 4. If you need to include another disposition for this transaction, click on “next disposition” instead of “next” at the end of Part F or G.

- Step 4 — Complete Part D or E to provide information about the individual conducting the transaction, depending on whether or not the transaction’s disposition was a deposit to a corporate account. If the transaction had no other dispositions than a deposit to a corporate account, complete Part E. If the transaction involved a disposition that was **not** a deposit to a corporate account, complete Part D.

Once you have gone through these four steps and all the required fields in each part are completed, you can click on “Continue” to send your report to FINTRAC. If there are any mandatory fields missing, you will get a message telling you which ones so that you can finalize the report.

Before you submit the report, you will be given the option to print it.

When your report is received, FINTRAC will send you an acknowledgment message. This will include the date and time your report was received and a FINTRAC-generated identification number. Please keep this information for your records.

The rest of this section will cover each part of the large cash transaction reporting screens.

## Part A: Information about where the transaction took place

This part is for information about you, the reporting person or entity creating the report. If you have multiple branch or office locations, the information in this part should refer to the branch or office location where the transaction took place. Transactions that happened at different branch or office locations should be reported on separate reports.

LCTR PART A

(LCTR-162425 New) Information about where the transaction took place

**Where did the transaction take place?**

1. Reporting person or entity's identifier number: \* (where applicable) \*

2. Reporting person or entity's full name: \*

3. Street address: \*

4. City: \*

5. Province: \*

6. Postal code: \*

**Who can FINTRAC contact about this report**

7. Contact surname: \*

8. Contact given name: \*

9. Other/Initial: \*

10. Contact phone number: \*

10a. Ext: \*

11. Which one of the following 16 types of reporting entities best describes you? \*

Clear Page Next >>

### Field 1\* Reporting person or entity's identifier number

This is your institution or license number, or other identification number as outlined below. If you have multiple branch or office locations, the identification number should refer to the branch or office where the transaction took place.

- If you are an **accountant**, enter your provincial chartered accountant (CA), provincial certified management accountant (CMA), or provincial certified general accountant (CGA) number.
- If you are a **bank, caisse populaire, cooperative credit society** or **credit union**, enter your financial institution number issued by the Canadian Payments Association (CPA).
- If you are **Canada Post**, enter your post office number.
- If you are a **life insurance broker or agent**, enter your provincial broker or agent license number.
- If you are a **federally regulated life insurance company**, enter your Office of the Superintendent of Financial Institutions (OSFI) Institution Code.
- If you are a **life insurance company that is not federally regulated**, enter your provincial license number.
- If you are a **provincial savings office**, enter your financial institution number issued by the CPA.
- If you are a **real estate broker or sales representative**, enter your provincial broker number.

- If you are a **securities dealer**, enter your provincial dealer license number.
- If you are a **trust and loan company**, enter your financial institution number issued by the CPA.
- If you are a **provincial trust and loan** that is not a member of the CPA, enter your registration number.

If you are a **foreign exchange dealer** or a **money services business**, an identifier number is not applicable to you. Leave this field blank.

**Field 2\* Reporting person or entity's full name**

Enter the full legal (trade) name of your business or corporation. If you do not have a business name (for example, you are a reporting entity that is an individual), enter your full name.

**Fields 3\* to 6\* Reporting person or entity's full address**

Enter your civic address, town or city, province and postal code. If you have more than one location, this information should refer to where the transaction took place. As explained above, transactions that happened at different branch or office locations should be reported on separate reports.

**Fields 7\*, 8\* and 9 Contact name**

Enter the name of the individual FINTRAC can contact for clarification about this report.

**Field 10\* Contact telephone number**

Enter the telephone number, including the area code, of the individual FINTRAC can contact for clarification. Include the extension, if applicable, in field 10a.

**Field 11\* Which one of the following types of reporting entities best describes you?**

Enter the type of activity applicable to you. If you are involved in more than one activity type, indicate the one applicable to the transaction being reported. If there is more than one activity for one or more transactions on the report, check only one box to indicate your principal type of activity.



## Part B1: Information about transaction(s)

This part is for information about the transaction(s). If the large cash transaction was not a single transaction, include in the same report all the cash transactions of less than \$10,000 made within 24 consecutive hours of each other that total \$10,000 or more.

The screenshot shows the 'LCTR PART B1' form with the title 'Information about transaction(s). (How the transaction was initiated, i.e., where the money came from.)'. The form is for 'Transaction: 1 of 1'. It contains the following fields and options:

- 1. Date of transaction: \* (text input)
- 2. Time of transaction: (text input)
- 4. Date of posting (if different from date of transaction): (text input)
- OR 3. Night deposit indicator: ☐ \*
- 5. Amount of transaction: (text input)
- 6. Currency: (text input) with a note: \* For example: Canada=CAD, U.S.=USD
- 7. How was the transaction conducted? (dropdown menu) \*
- If other, please specify: (text input)

At the bottom, there are navigation buttons: '<< Previous Transaction', 'Cancel This Transaction', 'Next Transaction >>', '<< Previous', 'Clear Page', and 'Next >>'.

### Fields 1\* to 3\* When the transaction took place

Enter the date (yyyy-mm-dd) and time (hh:mm) of the large cash transaction. The time of transaction field can be left blank if it is not available after reasonable efforts have been taken to obtain the information.

The date of transaction field is mandatory. If the transaction was outside normal business hours, and you cannot provide the date and time, use the night deposit indicator field.

### Field 4 Date of posting

Enter the date (yyyy-mm-dd) the transaction cleared, if this differs from the date of the transaction provided above.

### Field 5\* Amount of transaction

Enter the total amount of funds involved in the transaction. This is the total amount received to start the transaction. What happens as a result of that amount will be explained in Part B2 as one or more dispositions.

If this amount was not in Canadian funds, you do not have to convert it, but you have to provide the currency information in field 6.

### Field 6\* Currency

Enter the code for the type of currency for the transaction. Enter CAD if Canadian dollars, or USD for United States dollars. If the transaction was in another type of currency, see Appendix 1 in *Guideline 3: Submitting Suspicious Transaction Reports to FINTRAC* for the currency code to use.

**Field 7\* How was the transaction conducted?**

Check the appropriate box to indicate how the transaction was conducted. For example, if the transaction was done through an automated banking machine, check the “ABM” box. If the selections provided do not cover this particular transaction, indicate “Other” and provide details in the field provided.

## Part B2: Information about disposition(s)

This part is for information about the nature of the transaction.

At the top of Part B, you have to indicate whether the transaction was conducted on behalf of anyone other than the individual who conducted it. If the disposition was not on anyone else's behalf (i.e., it was on behalf of the individual that conducted it), check the "not applicable" box at the top of this part.

If the disposition was on behalf of an entity (other than an individual), such as a partnership, a corporation, a trust or other entity, check that box and complete Part F to provide the information about that entity. If the disposition was on behalf of another individual, check that box and complete Part G to provide the information about the individual.

You have to provide information about the individual conducting the transaction in Part D or Part E. If the transaction had no other dispositions than a deposit to a corporate account, complete Part E. If the transaction involved a disposition that was **not** a deposit to a corporate account, complete Part D.

There could be more than one disposition for a particular transaction. For example, your client could initiate a transaction in cash, send an electronic funds transfer (EFT) for part of it (disposition 1), order a bank draft for another part (disposition 2) and deposit the rest (disposition 3). In that case, make sure you include the information for each disposition. If you are including more than one transaction in this report (for cash transactions of less than \$10,000 made within 24 consecutive hours of each other that total \$10,000 or more), you have to complete Part B2 for all dispositions for each transaction.

**LCTR PART B2** Canada

(LCTR-214929 New) Information about disposition(s)(How the transaction was completed, i.e., where the money went.)

Transaction: 1 of 1 Disposition: 1 of 1

Indicate whether this transaction was conducted on behalf of anyone other than the individual who conducted it. If not, click on "Not applicable".

☒ Not applicable ☐ Entity (other than an individual) ☐ Another individual

8. Disposition of funds:  \*

If Other, please specify:

If Life ins. policy, specify policy number:

9. Amount of disposition:  \*

10. Currency:  \* For example: Canada=CAD, U.S.=USD

**Additional information about the funds described in field 8.**

11. Other institution, entity or person name and number:  \*(where applicable)

12. Other institution, entity or person account number:  \*(where applicable)

<< Previous Disposition Cancel This Disposition Next Disposition >>

<< Previous Transaction Cancel This Transaction Next Transaction >>

<< Previous Clear Page Next >>

### Field 8\* Disposition of funds

This describes what happened to the funds involved in the transaction.

If the disposition of funds was a life insurance policy, check that box and provide the life insurance policy number in the field provided. If the selections provided do not cover this particular disposition, indicate “Other” and provide details in the field provided.

**Field 9\* Amount of disposition**

Enter the amount of funds involved in the disposition. If the amount was not in Canadian funds, you do not have to convert it but you have to provide the currency code in field 10.

**Field 10\* Currency**

Enter the code for the type of currency for the disposition. Enter CAD if Canadian dollars, or USD for United States dollars. If the transaction was in another type of currency, see Appendix 1 in *Guideline 3: Submitting Suspicious Transaction Reports to FINTRAC* for the currency code to use.

**Fields 11\* and 12\* Other institution, entity or person name, number and account number (where applicable)**

Where applicable, provide the name (including the identification number if applicable) in field 11 and account number of any other institution or person involved in the disposition in field 12. Also provide any policy number related to the other institution, entity or person in field 12, if applicable.

### Part C: Account information, if the transaction involved an account

This part is for information about the account of the individual, business or trust on whose behalf the transaction's disposition was conducted, if it was in fact related to an account. As explained earlier, it is possible to have more than one transaction per report and more than one disposition per transaction. Provide the account information, where applicable, for each disposition included in the report.

The screenshot shows the 'LCTR PART C' form with the title 'Account information, if the transaction involved an account.' The form is for 'Transaction: 1 of 1' and 'Disposition: 1 of 1'. It includes a checkbox for 'Same as previous Part C'. The fields are numbered 1 through 5: 1. Branch or Transit number, 2. Account number, 3. Type of account, 4. Type of currency, and 5. Full name of each account holder (A, B, C). Each field has a text input area and a note '(where applicable)'. The form also has navigation buttons at the bottom: '<< Previous Disposition', 'Cancel This Disposition', 'Next Disposition >>', '<< Previous Transaction', 'Cancel This Transaction', 'Next Transaction >>', and '<< Previous', 'Clear Page', 'Next >>'.

#### Field 1\* Branch or transit number (if this Part is applicable)

Enter the branch number, transit number or other appropriate identifying number of the entity where the relevant account is held, when applicable to the transaction.

#### Field 2\* Account number (if this Part is applicable)

Enter the number of the relevant account.

#### Field 3\* Type of account (if this Part is applicable)

Indicate the type of the relevant account. If the selections provided do not cover this particular transaction, indicate "Other" and provide details in the field provided.

#### Field 4\* Type of currency (if this Part is applicable)

Enter the code for the type of currency for the relevant account. Enter CAD if Canadian dollars, or USD for United States dollars. If the account is another type of currency, see Appendix 1 in *Guideline 3: Submitting Reports to FINTRAC* for the currency code to use.

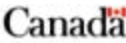
#### Field 5\* Full name of each account holder (if this Part is applicable)

Enter the full name of each account holder (up to three). If there are more than three, you need not provide more.

**Part D: Information about individual conducting transaction if it is not a deposit into a corporate account (where applicable)**

This part is for information about the individual who conducted the transaction if any of this transaction's dispositions was **not** a deposit into a corporate account. If the transaction involved nothing other than deposits to a corporate account, complete Part E.

As explained earlier, it is possible to have more than one transaction per report. Provide information about the individual who conducted the transaction in either Part D or Part E, as appropriate, for each transaction included in the report.

**LCTR PART D1** 

☐ Same as previous Part D

(LCTR-241670 New) Information about individual conducting the transaction that is not a deposit into a corporate account (if applicable)


Transaction: 2 of 2

**Name Information**

1. Surname:	<input type="text"/>	*
2. Given name:	<input type="text"/>	*
3. Other/Initial:	<input type="text"/>	
4. Entity client number:	<input type="text"/>	*(where applicable)
5. Street address:	<input type="text"/>	*
6. City:	<input type="text"/>	*
7. Province or state:	<input type="text"/>	*
8. Country:	<input type="text"/>	*
9. Postal code or Zip code:	<input type="text"/>	*
10. Country of residence:	<input type="text"/>	
11. Home phone number:	<input type="text"/>	11a. Ext. <input type="text"/>

[Cancel This Transaction](#)

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**LCTR PART D2** 

(LCTR-241670 New) Information about individual conducting the transaction that is not a deposit into a corporate account (if applicable)

Transaction: 2 of 2

**Identification of the individual**

12. Individual's identifier:	<input type="text"/>	*
If Other, please specify:	<input type="text"/>	
13. ID number:	<input type="text"/>	*
<b>Place of issue</b>		
14. Province or state:	<input type="text"/>	*
15. Country:	<input type="text"/>	*
16. Date of birth:	<input type="text"/>	*
17. Individual's occupation:	<input type="text"/>	*
18. Individual's business phone number:	<input type="text"/>	18a. Ext. <input type="text"/>

[<< Previous Transaction](#) [Cancel This Transaction](#) [Next Transaction >>](#)

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**Fields 1\*, 2\* and 3 Individual's full name (if this Part is applicable)**

Enter the last name, first name and middle initial (if applicable) of the individual who conducted the transaction.

**Field 4\* Entity client number (where applicable and if this Part is applicable)**

Enter the client number you issued to the individual who conducted the transaction, if applicable.

**Fields 5\* to 9\* Individual's full address (if this Part is applicable)**

Enter the civic address, town or city, province or state, country and postal code of the individual who conducted the transaction.

**Field 10 Country of residence**

Enter the country of permanent residence of the individual who conducted the transaction.

**Field 11 Home telephone number**

Enter the home telephone number, including the area code, of the individual who conducted the transaction. Include the extension, if applicable, in field 11a.

**Field 12\* Individual's identifier (if this Part is applicable)**

Check the appropriate box to show the document used to identify the individual who conducted the transaction.

You can refer to an individual's provincial health card, provided there is no provincial or territorial legislation preventing you from using or requesting it.

If the selections provided do not cover the identifier used, indicate "Other" and provide details in the field provided.

Please note that although a Social Insurance Number (SIN) card can be used for identification purposes for transactions such as the opening of an account, the SIN (i.e., the number) should not be provided on this form. If you used a SIN card and no other identifying document for the individual, indicate **SIN card** in the "Other" area of field 12, but do not provide the number in field 13.

**Field 13\* ID Number (if this Part is applicable)**

Enter the number of the document described in field 12 that was used to identify the individual who conducted the transaction. Remember that a health card number is not acceptable for this purpose in some provinces. Furthermore, as explained above, a SIN should not be provided on this form.

**Fields 14\* and 15\* Place of issue (if this Part is applicable)**

Enter the province or state, and country of issue of the document used to identify the individual who conducted the transaction.

**Field 16\* Date of birth (if this Part is applicable)**

Enter the date (yyyy-mm-dd) of birth of the individual who conducted the transaction.

**Field 17\* Individual's occupation (if this Part is applicable)**

Enter the occupation of the individual who conducted the transaction.

**Field 18 Individual's business telephone number**

Enter the business telephone number, including the area code, of the individual who conducted the transaction. Include the extension if applicable in field 18a.



**Part E: Information about individual conducting transaction if it is a deposit into a corporate account (where applicable)**

This part is for information about the individual who conducted the transaction if this transaction had no other dispositions than **deposits into a corporate account**. As explained earlier, it is possible to have more than one transaction per report. Provide this information for each transaction included in the report. If the transaction involved any disposition that was not a deposit to a corporate account, complete Part D.

LCTR PART E Canada

☐ Same as previous Part E

(LCTR-214929 New) Information about individual conducting the transaction that is a deposit into a corporate account (if applicable)

Transaction: 1 of 1

1. Surname:	<input type="text"/>	*
2. Given name:	<input type="text"/>	*
3. Other Initial:	<input type="text"/>	

<< Previous Transaction   Cancel This Transaction   Next Transaction >>

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**Fields 1\*, 2\* and 3 Individual's full name (if this Part is applicable)**

Enter the last name, first name and middle initial (if applicable) of the individual who conducted the transaction.

**Part F: Information about the business, corporation or other entity on whose behalf transaction was conducted (where applicable)**

This part only applies if the transaction's disposition was conducted on behalf of a third party other than an individual, as indicated in Part B2.

**LCTR PART F1**

Canada

☐ Same as previous Part F

(LCTR-214929 New) Information about business, corporation or other entity on whose behalf transaction was conducted (where applicable)

Transaction: 1 of 1 Disposition: 1 of 1

1. Corporation, trust or other entity name:		*
2. Type of business:		*
3. Street address:		*
4. City:		*
5. Province or state:		*
6. Country:		*
7. Postal code or Zip code:		*
8. Business phone number:		8a. Ext:

<< Previous Disposition   Cancel This Disposition   Next Disposition >>  
<< Previous Transaction   Cancel This Transaction   Next Transaction >>  
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**LCTR PART F2**

Canada

(LCTR-220303 New) Information about business, corporation or other entity on whose behalf transaction was conducted (where applicable)

Transaction: 1 of 1 Disposition: 1 of 1

<b>Incorporation or registration information</b>	
9. Incorporation or registration number:	
<b>Place of issue</b>	
10. Province or state:	
11. Country:	
12. Individual(s) authorized with respect to the account (up to three):	
A.	
B.	
C.	

Cancel This Disposition   Next Disposition >>  
Cancel This Transaction  
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**Field 1\* Corporation, trust or other entity name (if this Part is applicable)**

Enter the full name of the business, corporation or other entity on whose behalf the transaction was conducted.

**Field 2\* Type of business (if this Part is applicable)**

Describe the type of business or entity on whose behalf the transaction was conducted.

**Fields 3\* to 7\* Full address of business, corporation or other entity (if this Part is applicable)**

Enter the civic address, town or city, province or state, country and postal code of the business, corporation or other entity on whose behalf the transaction was conducted.

**Field 8 Business telephone number**

Enter the telephone number, including the area code, of the business, corporation or other entity on whose behalf the transaction was conducted. Include the extension, if applicable, at field 8a.

**Fields 9\* to 11\* Incorporation information (where applicable if this Part is applicable) |**

Provide the incorporation number, when applicable, for the corporation on whose behalf the transaction was conducted. Also provide the province or state, and country of the incorporation number's place of issue.

**Field 12 Individual(s) authorized with respect to the account (up to three)**

Provide the names of up to three individuals who have authority to conduct transactions through the account.

## Part G: Information about person on whose behalf transaction was conducted (where applicable)

This part only applies when the transaction's disposition was conducted on behalf of a third party that is an individual. It contains information regarding that individual. If the individual conducted the transaction's disposition on his or her own behalf, this part does not apply. In that case, information about the individual should be put in Part D.

If the transaction's disposition was conducted on behalf of a business or corporation, Part F should be completed.

### LCTR PART G1



(LCTR-220303 New) Information on person on whose behalf transaction was conducted (where applicable)  
Transaction: 1 of 1 Disposition: 1 of 1

**Name Information**

1. Surname:  \*

2. Given name:  \*

3. Other/Initial:

4. Street address:  \*

5. City:  \*

6. Province or state:  \*

7. Country:  \*

8. Postal code or Zip code:  \*

9. Home phone number:  9a. Ext:

10. Office phone number:  10a. Ext:

[Cancel This Disposition](#)  
[Cancel This Transaction](#)

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### LCTR PART G2



(LCTR-220303 New) Information on person on whose behalf transaction was conducted (where applicable)  
Transaction: 1 of 1 Disposition: 1 of 1

11. Individual's date of birth:

**Identification of the individual**

12. Individual's identifier:    
If Other, please specify:

13. ID number:

14. Country of residence:

**Place of issue**

15. Province or state:

16. Country:

**Individual's information**

17. Individual's occupation:

18. Relationship to individual:    
If Other, please specify:

[Cancel This Disposition](#) [Next Disposition >>](#)  
[Cancel This Transaction](#)

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**Fields 1\*, 2\* and 3 Individual's full name (if this Part is applicable)**

Enter the last name, first name and middle initial (if applicable) of the individual on whose behalf the transaction was conducted.

**Fields 4\* to 8\* Individual's full address (if this Part is applicable)**

Enter the civic address, town or city, province or state, country and postal code of the individual on whose behalf the transaction was conducted.

**Field 9 Home telephone number**

Enter the home telephone number, including the area code, of the individual on whose behalf the transaction was conducted.

**Field 10 Office telephone number**

Enter the office telephone number, including the area code, of the individual on whose behalf the transaction was conducted. Include the extension if applicable at field 10a.

**Field 11 Date of birth**

Enter the date of birth (yyyy-mm-dd) of the individual on whose behalf the transaction was conducted.

**Field 12 Individual's identifier**

Check the appropriate box to show the document used to identify the individual on whose behalf the transaction was conducted.

You can refer to an individual's provincial health card, provided there is no provincial or territorial legislation preventing you from using or requesting it.

If the selections provided do not cover the identifier used, indicate "Other" and provide details in the field provided.

Please note that although a Social Insurance Number (SIN) card can be used for identification purposes for transactions such as the opening of an account, the SIN (i.e., the number) should not be provided on this form. If you used a SIN card and no other identifying document for the individual, indicate **SIN card** in the "Other" area of field 12, but do not provide the number in field 13.

**Field 13 ID number**

Enter the number of the document described in field 12 that was used to identify the individual on behalf of whom the transaction was conducted. Remember that a health card number is not acceptable for this purpose in some provinces. Furthermore, as explained above, a SIN should not be provided on this form.

**Field 14 Country of residence**

Enter the country of permanent residence of the individual on whose behalf the transaction was conducted.

**Fields 15 and 16 Place of issue**

Enter the province or state, and country of issue of the document used to identify the individual on whose behalf the transaction was conducted.

**Field 17 Individual's occupation**

Enter the occupation of the individual on whose behalf the transaction was conducted.

**Field 18 Relationship of the individual named in Part D or Part E to the individual named above**

Check the appropriate box to indicate the relationship of the person conducting the transaction to the individual on whose behalf the transaction was conducted.

If the selections provided do not cover the relationship, indicate "Other" and provide details in the field provided.

#### **4.4 Instructions for Submitting a Change to a Previously Submitted Report**

If you have to submit a change to a previously submitted report, there are two options: update or replace.

##### **Update**

This is to either modify or delete information on a report that you submitted previously.

Once you have selected the update option, you need to provide the date, time and FINTRAC-generated identification number for the previously submitted report, based on the acknowledgement you received from FINTRAC. Then, complete only the fields of the report that you need to correct.

If your correction involves removing information that was contained in a field, and you want that field to be left blank, you will have to put dashes in that field. If the field is under five characters, put dashes in each character space. If the field is five or more characters, just enter 5 dashes.

If you need to add information to a field that was previously left blank or you need to change the information previously submitted, you have to provide the revised information in the applicable field.

If you omitted to include a transaction or a disposition in a previous report, follow the replace instructions below.

##### **Replace**

This is to identify an existing report that you want to replace with a new report.

Once you have selected the replace option, enter the date, time and FINTRAC-generated identification number for the previously submitted report that you want to replace, based on the acknowledgement you received from FINTRAC. Submit this information. You will then receive a new report with the same number as the original.

Next, you will have to re-enter all of the information from the original report and include any information that you want to add.

## 5 Alternative to Large Cash Transaction Reports (Financial Entities Only)

### 5.1 Who Can Choose the Alternative to Large Cash Transaction Reports?

Financial entities, i.e., banks, credit unions, caisses populaires, trust companies, loan companies or agents of the Crown that accept deposit liabilities, may be able to choose an alternative to sending large cash transaction reports about transactions for certain clients that are corporations. This is not available to any other reporting person or entity.

### 5.2 Which Financial Entity Clients Are Eligible?

If you are a financial entity you can choose the alternative to large cash transaction reports regarding a client's **business** transactions that would otherwise require such a report if all of the following conditions are met:

- your client is a corporation that carries on business within those types of businesses described in Appendix 1. You cannot choose the alternative to large cash transaction reports for any client carrying on a pawnbroking business, or for any client whose principal business is the sale of vehicles, vessels, farm machinery, aircraft, mobile homes, jewellery, precious gems or metals, antiquities or art;
- your client has had an account with you for at least 24 months **or**, immediately before opening an account with you, your client has had an account with another financial entity for at least 24 months. This means that a client who had an account for 12 months with you and 12 months with another financial entity would not meet this condition;
- you have records to show that your client deposited \$10,000 or more in cash into that account at least twice weekly, on average, for the preceding 12 months. This means your client has to have made at least 104 such deposits over the preceding 12 months;
- your client's cash deposits are consistent with the usual practice of this business; and
- you have taken reasonable measures to determine the source of the cash for those deposits.

Once you have determined that all of the conditions outlined above are met for any one of the corporation's business accounts, you can choose the alternative to large cash transaction reports for that business. This would apply to all the accounts of that business.

If your client is a corporation with more than one business for income tax purposes, the alternative to large cash transaction reports has to be considered separately for each distinct business. As explained above, you cannot choose the alternative to large cash transaction reports if any of the corporation's businesses relate to pawnbroking, or if the corporation's principal business is the sale of vehicles, vessels, farm machinery, aircraft, mobile homes, jewellery, precious gems or metals, antiquities or art.

If several corporations operate the same businesses, each corporation has to be considered separately. For example, if you have accounts with a corporation that operates a retail store and you also have accounts with other corporations who have bought franchises of that retail



store, you would have to consider each corporation separately for purposes of the alternative to large cash transactions reports.

For additional information to help you determine whether you can choose the alternative to large cash transaction reports for a client, see the following appendices:

- Appendix 3 presents the conditions in a question-based flow.
- Appendix 4 outlines examples of situations for clients for whom you could or could not consider the alternative to large cash transaction reports.

### **5.3 How to Choose the Alternative to Large Cash Transaction Reports**

If all the conditions listed in Section 5.2 (above) are met and you choose the alternative to large cash transaction reports for a client, you have to do the following:

- send a report to FINTRAC about the business client for whom you are making this choice (see Section 5.4 below);
- report certain changes about the business client to FINTRAC (see Section 5.5 below);
- verify annually that conditions are met for each client and report this to FINTRAC (see Section 5.6 below); and
- maintain a list with the name and address of each client for whom you have chosen not to report large cash transactions (see Section 5.7 below).

Once you become aware that any of the conditions are no longer being met for a client for whom you had chosen the alternative to large cash transaction reports, you must resume reporting large cash transactions for that client immediately.

### **5.4 Report to FINTRAC About the Business Client**

If all the conditions listed in Section 5.2 (above) are met and you choose the alternative to large cash transaction reports for a client, you have to send a report to FINTRAC about the business client for whom you are choosing this. This financial entity business client report is to provide information about the client, including name and address, nature of the client's business, incorporation number and incorporation jurisdiction, as well as the total monetary value and number of cash deposits for the client's business over the preceding 12 months. For more information about this report, see Appendix 2.

Until this report is sent to FINTRAC, you have to report any large cash transactions for the client as explained in the other sections of this guideline.

To make this report, use the spreadsheet available from the reporting section of FINTRAC's Web site. Once you have completed the spreadsheet, you should save it for future reference and updating.

To submit this report to FINTRAC, use your batch transmission software (ViaSafe) that was provided by FINTRAC for transmitting large batch files. You will have to notify FINTRAC that you need your batch transmission software to support this type of report. If you do not

already transmit reports this way, contact FINTRAC (see Section 7 below) to find out what to do.

Use the batch report channel called “Alternative to Large Cash Transaction Reports” for you to drop the spreadsheet for transmission. Please refer to your ViaSafe batch documentation for more information about the transmission of reports.

Similar to the other reports you transmit through this mechanism, you will be notified that the transmission of this report was successful. However, unlike the other reports, you will not receive a secondary acknowledgement about processing results.

### **5.5 Report Certain Changes About the Business Client to FINTRAC**

Once the financial entity business client report described in Section 5.4 (above) has been sent to FINTRAC, if there are any changes to the client’s name or address, the nature of the client’s business or the business incorporation number, you have to report the change to FINTRAC. This has to be done within 15 days after the change is made.

In this context, a change in the nature of the client’s business includes anything that would cause you to revise the *North American Industry Classification System* (NAICS) code indicated for the client in your financial entity business client report. For more information about NAICS, refer to Appendix 1.

You need to ensure the business is still within those types of businesses described as eligible in Appendix 1.

To report these types of changes to FINTRAC, make the change required to your “saved copy” of the original report you submitted (as described in Section 5.4 above). Indicate that this is an update to a previously submitted report in the area above Part A. Also, indicate which line of the report includes changes in the “Update indicator” column to the left of field B1 for each business whose information is being updated. Re-save the spreadsheet and submit it in its entirety to FINTRAC, as you did for the original. Repeat this process any time you have to report a change.

For more information about this report, see Appendix 2.

### **5.6 Annual Verification**

Once you have chosen the alternative to large cash transaction reports, you have to verify at least once every 12 months that all the conditions listed in Section 5.2 (above) are still met for each client. Once this is done, you have to send a report to FINTRAC to provide the name and address of each client along with the name of your senior officer who has confirmed that the conditions are still being met.

More information about sending this type of report to FINTRAC will be provided in early 2003.

## **5.7 List to be maintained**

In addition to the information you send to FINTRAC in the reports described above, you must maintain a list with the name and address of each client for whom you have chosen this alternative to large cash transaction reports. You can keep this list in paper form, or in a machine-readable or electronic form, as long as a paper copy can be readily produced.

## **6 Comments?**

These guidelines will be reviewed on a periodic basis. If you have any comments or suggestions to help improve them, please send your comments to the mailing address provided below or by email to [guidelines@fintrac.gc.ca](mailto:guidelines@fintrac.gc.ca).

## **7 How to Contact FINTRAC**

For further information on FINTRAC and its activities, and report submission, please go to FINTRAC's Web site (<http://www.fintrac.gc.ca>) or contact FINTRAC:

Financial Transactions and Reports Analysis Centre of Canada  
234 Laurier Avenue West, 24<sup>th</sup> floor  
Ottawa, Ontario  
Canada K1P 1H7

Toll-free: 1-866-346-8722

## **Appendix 1: Financial Entity Alternative To Large Cash Transaction Reports — Types of Businesses for Clients that are Corporations**

The following provides information about the types of businesses in which a client that is a corporation can be engaged for you to choose the alternative to large cash transaction reports for the business. For more information about this and the other conditions to be met, see Section 5 of this guideline.

The summary descriptions below are for eligible business types, i.e., sectors 22 and 44-45, and codes 481, 482, 485, 51322, 51331, 61121 and 61131 of the *North American Industry Classification System* (NAICS), based on the description of these sectors and codes as they read at the time of publishing of this guideline. If there are any changes to these before January 31, 2003, it is the description in effect on January 31, 2003 that will determine eligible business types.

For more specific information about these NAICS sectors or codes, refer to the information on the Statistics Canada Web site concerning the North American Industry Classification 1997 (NAICS 1997). At the time of publishing this guideline, this information can be accessed at <http://www.statcan.ca/english/Subjects/Standard/naics/1997/naics97-menu.htm>. To convert these from the *Standard Industrial Classification System* (SIC), refer to the concordance tables, also available on the Statistics Canada Web site. At the time of publishing this guideline, this information can be accessed at <http://www.statcan.ca/english/Subjects/Standard/concordances/sice80-to-naics97-det.htm>.

If the client's business is described in NAICS sectors or codes other than those mentioned above, the business is not eligible. For example, businesses in the real estate, rental and leasing sector or in the accommodation and food services sector are not eligible.

**Note:** As explained in Section 5, you cannot choose the alternative to large cash transaction reports if any of the corporation's businesses relate to pawnbroking, or if the corporation's principal business is the sale of vehicles, vessels, farm machinery, aircraft, mobile homes, jewellery, precious gems or metals, antiques or art.

### **Utilities (Sector 22)**

This covers clients that are corporations primarily engaged in operating electric, gas and water utilities. These businesses generate, transmit, control and distribute electric power; distribute natural gas; treat and distribute water; operate sewer systems and sewage treatment facilities; and provide related services, generally through a permanent infrastructure of lines, pipes and treatment and processing facilities.

### **Retail Trade (Sectors 44-45)**

This covers clients that are corporations primarily engaged in retailing merchandise, generally without transformation, and rendering services incidental to the sale of

merchandise. The retailing process is the final step in the distribution of merchandise; retailers are therefore organized to sell merchandise in small quantities to the general public.

#### **Air Transportation (Code 481)**

This covers clients that are corporations primarily engaged in for-hire, common-carrier transportation of people or goods using aircraft, such as airplanes and helicopters. However, this does not include clients primarily engaged in scenic or sightseeing air services or clients primarily engaged in air courier services.

#### **Rail Transportation (Code 482)**

This covers clients that are corporations primarily engaged in operating railways. This includes long-haul or mainline railways, short-haul railways and passenger railways. This does not include clients primarily engaged in operating street railways and urban rapid transit, tourist and scenic trains, or switching and terminal railways.

#### **Transit and Ground Passenger Transportation (Code 485)**

This covers clients that are corporations primarily engaged in a variety of passenger transportation activities, using equipment designed for those purposes. This does not include clients primarily engaged in passenger transportation associated with scenic or sightseeing activities.

#### **Cable and Other Program Distribution (Code 51322)**

This covers clients that are corporations primarily engaged in distributing television and radio programs, to subscribers, via cable or satellite distribution systems. These clients deliver programming that originates from television and radio broadcasters, and pay and specialty channels. These clients may also provide other services, such as interactive television, information services and tele-banking services. This does not include clients primarily engaged in installing and maintaining cable systems on contract, or broadcasting television programs in a defined and limited format via operators of cable or satellite distribution systems.

#### **Wired Telecommunications Carriers (Code 51331)**

This covers clients that are corporations engaged in operating and maintaining switching and transmission facilities to provide direct communications via land lines, microwave or a combination of land lines and satellite link-ups. This excludes clients primarily engaged in the following:

- installing and maintaining cable systems on contract;
- publishing telephone directories;
- delivering television and radio programs to subscribers by cable or satellite systems;
- operating and maintaining wireless telecommunication networks; and
- reselling telecommunications services.

#### **Community Colleges and C.E.G.E.P.s (Code 61121)**

This covers clients that are corporations primarily engaged in providing academic, or academic and technical, courses and granting associate degrees, certificates or diplomas that

are below the university level. The requirement for admission to an associate or equivalent degree program is at least a high school diploma or equivalent general academic training.

**Universities (Code 61131)**

This covers clients that are corporations primarily engaged in providing academic courses and granting degrees at baccalaureate or graduate levels. The requirement for admission is at least a high school diploma or equivalent general academic training for baccalaureate programs, and often a baccalaureate degree for professional or graduate programs.

## Appendix 2: Contents of the Financial Entity Business Client Report

This report is required if you decide to choose the alternative to large cash transaction reports for a client's business. The conditions for this are explained in Section 5 of this guideline.

Most of the fields of this report are marked with an asterisk (\*). This means they **must be completed**.

Enter the date of this report above part A, and indicate whether this is the original report (O), or an update to provide changes about the business client (U).

### **PART A — Information about the financial entity**

This part is for information about you as the financial entity where the corporation has an account.

#### **Field 1\* Identification number of the financial entity**

Enter the same identification number that you use to make a large cash transaction report to FINTRAC (i.e., your financial institution number issued by the Canadian Payments Association (CPA)).

#### **Field 2\* Financial entity name**

Enter the full legal name, as you would on a large cash transaction report to FINTRAC.

#### **Fields 3\* to 6\* Full address of financial entity**

Enter your civic address, town or city, province and postal code.

### **PART B — Information about the client**

This part is for information about the client for whom you are choosing the alternative to large cash transaction reports. Complete a separate line in Part B for each business for which you are choosing the alternative to large cash transaction reports. If you need more than the 100 lines allotted in the spreadsheet, insert additional lines after line #100.

If you are providing an update to a previously submitted report, indicate which line of the report contains changed or new information. To do this, enter a "+" in the update indicator column, to the left of field B1 for the business whose information is being updated.

#### **Fields 1\* and 2\* Nature of your client's business**

Enter the nature of your client's business in field 1, and provide the relevant NAICS code in field 2.

#### **Fields 3\* to 8\* Name and address of your client**

Enter the name of your client as well as the civic address, town or city, province or state, country and postal code of your client's business.



**Fields 9\* to 11\* Incorporation information for your client's business**

Enter the incorporation number of your client's business and the date and jurisdiction of its incorporation (where applicable). If you are including more than one business for the same corporation on this report, please repeat the incorporation information for each business.

**Fields 12\* and 13\* Cash deposits over the past 12 months**

Enter the total monetary value, in Canadian dollars, of your client's cash deposits in respect of this business over the preceding 12 months at field 12. Enter the total number of your client's cash deposits in respect of this business over the preceding 12 months at field 13.

**PART C — Contact Person at Financial Entity**

This part is for information about whom FINTRAC can contact for clarification about this report.

**Fields 1\*, 2\* and 3 Name of contact person**

Enter the name of the individual FINTRAC can contact for clarification about this report.

**Field 4\* Telephone number of contact person**

Enter the telephone number, including the area code, of the individual FINTRAC can contact for clarification. Include the extension, if applicable, in field 5.

## Appendix 3: Can Your Client be Considered for the Alternative to Large Cash Transaction Reports?

The following nine questions, if answered in order, will help you determine whether or not a particular business of a corporation can be considered for the alternative to large cash transaction reports. The first three questions are about the corporation, and the rest are about the business. If you get to question 4 for a corporation that has more than one business, go through questions 4 to 9 to get a distinct answer for each business that you wish to consider.

For more information about the conditions, see Section 5 of this guideline.

1. Is the client a corporation?
  - If the answer is yes, continue to question 2.
  - If the answer is no, the client cannot be considered for the alternative to large cash transaction reports.
2. Is any of the corporation's business related to pawnbroking?
  - If the answer is yes, the client cannot be considered for the alternative to large cash transaction reports.
  - If the answer is no, continue to question 3.
3. Is the corporation's **principal** business the sale of vehicles, vessels, farm machinery, aircraft, mobile homes, jewellery, precious gems or metals, antiquities or art?
  - If the answer is yes, the client cannot be considered for the alternative to large cash transaction reports.
  - If the answer is no, continue to question 4.
4. Is the corporation's business described in Appendix 1?
  - If the answer is yes, continue to question 5.
  - If the answer is no, the client cannot be considered for the alternative to large cash transaction reports.
5. Has the client had an account with you for the business for at least 24 months?
  - If the answer is yes, skip question 6 and continue to question 7.
  - If the answer is no, continue to question 6.
6. Did the client have an account for the business with another financial entity for at least 24 months immediately before opening an account with you? (Answer this question only if you answered **no** to question 5.)
  - If the answer is yes, continue to question 7.
  - If the answer is no, the client cannot be considered for the alternative to large cash transaction reports.

7. Do you have records that show that the client deposited \$10,000 or more in cash, on an annual average of at least twice a week, into the account referred to in question 5 or question 6?
  - If the answer is yes, continue to question 8.
  - If the answer is no, the client cannot be considered for the alternative to large cash transaction reports.
8. Were the cash deposits of this business consistent with the business' usual practices?
  - If the answer is yes, continue to question 9.
  - If the answer is no, the client cannot be considered for the alternative to large cash transaction reports.
9. Have you taken reasonable measures to determine the source of cash for those deposits?
  - If yes, you may choose the alternative to large cash transaction reports for this business.
  - If no, the client's business cannot be considered for the alternative to large cash transaction reports.

## **Appendix 4: Examples of How to Apply the Conditions in Considering the Alternative to Large Cash Transaction Reports**

The following three examples show how to apply the conditions in considering the alternative to large cash transaction reports for a business:

- Example 1: One corporation's account with deposits from many outlets
- Example 2: One business with various accounts
- Example 3: Different businesses depositing funds into one account

For more information about the conditions and how to choose this, see Section 5 of this guideline.

### **Example 1: One corporation's account with deposits from many outlets**

Your client is a corporation that operates one business with several outlets. Each outlet deposits cash into the same account held by the corporation. The deposits for each outlet vary on a weekly basis, but the annual average based on the deposits for all the outlets is at least \$10,000 twice a week. You know that several outlets make cash deposits of less than \$10,000, but the total deposits for the business on any given day are usually over \$10,000.

Assumptions in this example:

- The deposits are consistent with the usual practice of this business and you have taken reasonable measures to determine the source of the cash.
- The corporation is engaged exclusively in business activities that meet the conditions for the alternative to reporting large cash transaction reports.
- The corporation has had the above-mentioned account with your financial entity for over 24 months.

In this example, all conditions are met for you to choose the alternative to large cash transaction reports for this client's business.

### **Example 2: One business with various accounts**

Your client is a corporation with one business but various accounts (savings, chequing, long term account, short term account, etc.). One of these accounts receives daily cash deposits in respect of the business of \$10,000 or more.

Assumptions in this example:

- The accounts are associated with the same business.
- The deposits for the business are consistent with the usual practice of each business and you have taken reasonable measures to determine the source of the cash.
- The corporation is engaged exclusively in business activities that meet the conditions for the alternative to large cash transactions reports.
- The corporation has had the account that receives the cash deposits with your financial entity for over 24 months.

In this example, all conditions are met for you to choose the alternative to large cash transaction reports for this client's business. If you do so, you will not report large cash transactions regarding any of the business' accounts. The alternative to large cash transaction reports applies to the client's business, not just to a particular account.

**Example 3: Different businesses depositing funds into one account**

Your client is a corporation with three separate businesses for income tax purposes. Daily cash deposits are made to the same account for all three businesses. You are unable to distinguish what part of each deposit relates to each distinct business. The corporation has no other accounts that receive cash deposits.

In this example, you would not be able to choose the alternative to large cash transaction reports, even if the corporation was engaged exclusively in business activities that meet the conditions for the alternative to large cash transactions and had an account with your financial entity for over 24 months. This is because you would not be able to take reasonable measures to determine the source of the cash for the deposits. Furthermore, you would not be able to determine whether the deposits were consistent with the usual practice of each business, since you would not know what portion of each deposit originates from each business.