



## Our Compliance Support Commitment

### ANTI MONEY LAUNDERING AND COUNTER TERRORIST FINANCING TRAINING

This annual requirement ensures that members are equipped to:

- Better understand the Proceeds of Crime (Money Laundering) and Terrorist Financing Act in order to assist Financial Institutions in meeting their client identification and record keeping responsibilities.
- Define money laundering and terrorist financing.
- Explain the three stages associated with money laundering and state the funding requirements of terrorist financing.
- Identify the government bodies involved in fighting, detecting, and deterring money laundering and terrorist financing in Canada.
- Describe money laundering techniques and the inherent risks associated with investment products.
- Describe the identification and record-keeping requirements for account opening and determining if a completed (or attempted) transaction raises suspicions of money laundering.

A fundamental principle of the deposit industry is the **know your client** requirement. To accomplish this, deposit brokers and their affiliates (soliciting members) employ a well-defined process that has been developed by the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC). The consistent application of this process allows them to determine the identity of the client, their investment objectives and the source of the deposit money. This information is essential in reducing the risk of money laundering and terrorist financing. When Financial Institutions (deposit-taking institutions) sign agency agreements with their brokers they rely on them to complete this critical element of the deposit transaction.

Equally important to the integrity of the industry is the need for deposit-taking institutions to **know your broker**. The RDBA's compliance support service simplifies the process by ensuring that each deposit broker member maintains their status as a member in good standing. To maintain this status, the deposit broker undergoes a criminal background check, receives on-board training and must successfully complete annual anti money laundering/counter terrorist financing and privacy training. Deposit brokers also complete a Broker Compliance Questionnaire, an annual attestation to compliance with RDBA's standards for premises, privacy, insurance, record-keeping and business continuity.

### CRIMINAL BACKGROUND CHECK

Soliciting members are required to provide consent for a criminal record check on behalf of RDBA and its Financial Institution members. Broker members can access their copy of the background check and can provide it to other organizations as required. Information is kept in strictest confidence.



The Registered Deposit Brokers Association is committed to protecting depositors by developing common standards that strengthen the integrity of the deposit industry. Our compliance support standard ensures that each of our deposit brokers maintains their member in good standing status. Members are notified as they approach compliance deadlines and continue to receive reminders until they successfully complete the requirement. In rare instances a member may be suspended until the requirement is met, and their change of status is reported to the deposit issuers with whom they have agency agreements. Once the deficiency has been resolved the member's good standing status is re-confirmed with the deposit issuers.

## **PRIVACY TRAINING**

RDBA privacy training covers the Personal Information Protection and Electronic Documents Act (PIPEDA) as well as individual provincial privacy legislation for British Columbia, Alberta and Quebec. RDBA privacy training provides deposit brokers with a clear understanding of relevant Canadian privacy legislation and best practices, giving them tools to reduce reputational risk and avoid regulatory penalties.

The learning objectives of the PIPEDA course include:

- Identifying the main components of the PIPEDA
- Defining the ten privacy principles and how to explain them in business terms
- Identifying consumers' rights and how to assist them in exercising those rights
- Managing access to a consumer's personal information
- Dealing with complaints
- Stating the penalties for non-compliance
- Identifying the Commissioner's powers and how to work with the Commissioner's office
- Citing some of the Commissioner's key findings
- Recognizing what is reasonable under certain circumstances.

**On-board training** is provided to our new members to ensure full understanding of deposit instruments, deposit insurance and the protocol for handling depositors' money. This training focuses on the following learning objectives:

- Describes the instruments and market access provided by deposit brokers to their clients.
- Outlines the agency relationship between the deposit-taking institution and the deposit broker.
- Explains the role of the Canada Deposit Insurance Corporation and other deposit insurers in protecting depositors.
- Details coverage categories and the difference in limits provided by federal and provincial insurers.
- Describes the Registered Deposit Brokers Association and its rules and regulations pertaining to:
  - membership
  - contracts
  - processing procedures for deposits registered in client name
  - handling depositor money
  - compliance
  - member responsibilities