

Sanctions evasion reporting under Canada's anti-money laundering and anti-terrorist financing regime

03 juillet 2024

On June 20, 2024, [Bill C-59, The Fall Economic Statement Implementation Act, 2023 \(Bill C-59\)](#) received Royal Assent and became law in Canada, expanding Canada's federal anti-money laundering and anti-terrorist financing regime under the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (PCMLTFA) to, effective August 19, 2024, require entities subject to the PCMLTFA to report to the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) transactions suspected to be related to sanctions evasion.

Canada's sanctions regime

Canadian sanctions are imposed on designated countries, natural persons and entities (designated persons) under the United Nations Act, the Special Economic Measures Act and the Justice for Victims of Corrupt Foreign Officials Act (the Sergei Magnitsky Law). Canadian sanctions apply to all persons (natural persons and entities) in Canada and Canadians outside of Canada and prohibit dealings or restrict activities with designated persons.

Reporting entities must report to law enforcement, the federal government, and/or federal or provincial regulators, as required under Canadian sanctions legislation, their possession or control of property owned or controlled by a designated person.

PCMLTFA sanctions evasion amendments

The obligations in the PCMLTFA and its regulations apply to prescribed persons commonly referred to as reporting entities (including banks, mortgage lenders, and money services businesses). Bill C-59 amends the PCMLTFA to expand the sanctions reporting obligations of reporting entities to require reporting entities to, as of August 19, 2024, submit a suspicious transaction report to FINTRAC if there are reasonable grounds to suspect that a financial transaction that occurs or is attempted in the course of the reporting entity's activities is related to a sanctions evasion offence.

The PCMLTFA defines a “sanctions evasion offence” as “an offence arising from the contravention of a restriction or prohibition established by an order or a regulation made under the United Nations Act, the Special Economic Measures Act or the Justice for Victims of Corrupt Foreign Officials Act (Sergei Magnitsky Law).

FINTRAC guidance and special bulletin concerning sanctions evasion reporting

Reporting entities have a short period of time to familiarize themselves with their expanded sanctions reporting obligations. Accordingly, on June 25, 2024, FINTRAC published guidance, [Report suspected sanctions evasion](#) (the Guidance) and a [Special Bulletin on financial activity associated with suspected sanctions evasion](#) (the Special Bulletin).

The Guidance is to assist reporting entities in understanding and meeting their compliance obligations respecting reporting sanctions evasion, and the Special Bulletin **provides information on Canada’s sanctions regulatory framework and is intended to** inform reporting entities on the characteristics of attempted or completed financial transactions related to suspected sanctions evasion in order to support their ability to meet their obligations under the PCMLTFA.

Guidance

The Guidance is brief, and it explains the sanctions evasion reporting requirement and details how reporting entities must report sanctions evasion-related transactions (by submitting suspicious transaction reports to FINTRAC). Suspicious transaction reports must be submitted to FINTRAC if a transaction is suspected of being related to a money laundering or terrorist financing offence. With the passing of Bill C-59, sanctions evasion offences must also be reported and, if the reporting entity suspects the transaction relates to all of the foregoing offences, FINTRAC requires only one suspicious transaction report to be submitted, detailing each of the suspected offences.

Special Bulletin

The Special Bulletin provides information on the characteristics of financial transactions related to suspected sanctions evasion, and FINTRAC states that the purpose of the Special Bulletin is to assist reporting entities in:

- Identifying and assessing money laundering, terrorist activity financing or sanctions evasion risks,
- Applying controls and measures to mitigate risks, and
- Effectively detect and report suspicious transactions to FINTRAC.

Characteristics of financial transactions associated with sanctions evasion identified in the Special Bulletin include:

- The use of intermediary jurisdictions,
- Evasion of import and export controls,
- Non-resident banking,

- The use of opaque corporate structures,
- The use of proxies and enablers,
- Virtual currencies and other alternative financial channels.

Par

[Suhuyini Abudulai](#)

Services

[Services bancaires et financiers](#), [Services financiers](#)

BLG | Vos avocats au Canada

Borden Ladner Gervais S.E.N.C.R.L., S.R.L. (BLG) est le plus grand cabinet d'avocats canadien véritablement multiservices. À ce titre, il offre des conseils juridiques pratiques à des clients d'ici et d'ailleurs dans plus de domaines et de secteurs que tout autre cabinet canadien. Comptant plus de 725 avocats, agents de propriété intellectuelle et autres professionnels, BLG répond aux besoins juridiques d'entreprises et d'institutions au pays comme à l'étranger pour ce qui touche les fusions et acquisitions, les marchés financiers, les différends et le financement ou encore l'enregistrement de brevets et de marques de commerce.

blg.com

Bureaux BLG

Calgary

Centennial Place, East Tower
520 3rd Avenue S.W.
Calgary, AB, Canada
T2P 0R3

T 403.232.9500
F 403.266.1395

Ottawa

World Exchange Plaza
100 Queen Street
Ottawa, ON, Canada
K1P 1J9

T 613.237.5160
F 613.230.8842

Vancouver

1200 Waterfront Centre
200 Burrard Street
Vancouver, BC, Canada
V7X 1T2

T 604.687.5744
F 604.687.1415

Montréal

1000, rue De La Gauchetière Ouest
Suite 900
Montréal, QC, Canada
H3B 5H4

T 514.954.2555
F 514.879.9015

Toronto

Bay Adelaide Centre, East Tower
22 Adelaide Street West
Toronto, ON, Canada
M5H 4E3

T 416.367.6000
F 416.367.6749

Les présents renseignements sont de nature générale et ne sauraient constituer un avis juridique, ni un énoncé complet de la législation pertinente, ni un avis sur un quelconque sujet. Personne ne devrait agir ou s'abstenir d'agir sur la foi de ceux-ci sans procéder à un examen approfondi du droit après avoir soupesé les faits d'une situation précise. Nous vous recommandons de consulter votre conseiller juridique si vous avez des questions ou des préoccupations particulières. BLG ne garantit aucunement que la teneur de cette publication est exacte, à jour ou complète. Aucune partie de cette publication ne peut être reproduite sans l'autorisation écrite de Borden Ladner Gervais S.E.N.C.R.L., S.R.L. Si BLG vous a envoyé cette publication et que vous ne souhaitez plus la recevoir, vous pouvez demander à faire supprimer vos coordonnées de nos listes d'envoi en communiquant avec nous par courriel à desabonnement@blg.com ou en modifiant vos préférences d'abonnement dans blg.com/fr/about-us/subscribe. Si vous pensez avoir reçu le présent message par erreur, veuillez nous écrire à communications@blg.com. Pour consulter la politique de confidentialité de BLG relativement aux publications, rendez-vous sur blg.com/fr/ProtectionDesRenseignementsPersonnels.

© 2025 Borden Ladner Gervais S.E.N.C.R.L., S.R.L. Borden Ladner Gervais est une société à responsabilité limitée de l'Ontario.