



**SBI Canada Bank**

**Anti-Money Laundering and Anti-Terrorist Financing (AML/ATF)**

**AML/ATF Statement**



## AML/ATF Statement

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### Introduction

SBI Canada Bank, hereafter referred to as “SBIC” and the “Bank”, is committed to taking all possible measures for deterring and detecting money laundering and terrorist financing (ML/TF) and ensuring that all aspects of its operations are in compliance with the applicable legislative and regulatory requirements.

### Regulatory Environment

Canada is a member of FATF<sup>1</sup> as well as the Basel Committee<sup>2</sup>. It introduced the *Proceeds of Crime (Money Laundering) Act* (PCMLA) in 2000. In December 2001, the scope of the Act was expanded to include anti-terrorist financing and it was renamed as the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (PCMLTFA). The PCMLTFA is supported by five Regulations<sup>3</sup>. Under Canadian law, a money laundering offence involves various acts committed with the intention to conceal or convert property or the proceeds of property knowing or believing that these were derived from the commission of a designated offence. In this context, designated offences include, but are not limited to those relating to illegal drug trafficking, bribery, fraud, forgery, robbery, counterfeit money, stock manipulation, tax evasion, and copyright infringement. A money laundering offence may also extend to property or proceeds derived from illegal activities that took place outside Canada. The *Office of the Superintendent of Financial Institutions Canada* (OSFI) has issued *Guideline B8: Deterring and Detecting Money Laundering and Terrorist Financing*.<sup>4</sup> The *Financial Transactions and Reports Analysis Centre of Canada* (FINTRAC) has issued several guidelines<sup>5</sup> on reporting of prescribed transactions and other aspects of the compliance regime.

The key AML/ATF-related legislative and regulatory requirements applicable to banks in Canada include the following:

- The Proceeds of Crime (Money Laundering) and Terrorist Financing Act (PCMLTFA) and related Regulations;
- The Criminal Code;

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<sup>1</sup> The Financial Action Task Force (FATF) is an inter-governmental body established in 1989 to set standards and promote effective implementation of legal, regulatory and operational measures for combating money laundering, terrorist financing and other related threats to the integrity of the international financial system. For more information about FATF, please visit: [www.fatf-gafi.org](http://www.fatf-gafi.org)

<sup>2</sup> The Basel Committee was established in 1974 by the central-bank Governors of the Group of Ten countries. It does not possess any formal supranational supervisory authority but formulates broad supervisory standards and guidelines and recommends statements of best practice. The Basel Committee on Banking Supervision has also stipulated guidelines on AML/ATF. For more information about the Basel Committee, please visit: [www.bis.org](http://www.bis.org)

<sup>3</sup> The PCMLTFA and related Regulations are available on the Department of Justice Canada website <http://laws.justice.gc.ca>

<sup>4</sup> Guidelines issued by OSFI are available on the OSFI's website: [www.osfi-bsif.gc.ca](http://www.osfi-bsif.gc.ca)

<sup>5</sup> Guidelines issued by FINTRAC are available on FINTRAC's website: [www.fintrac-canafe.gc.ca](http://www.fintrac-canafe.gc.ca)



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- The United Nations Act and related Regulations;
- Special Economic Measures Act and related Regulations;
- Freezing Assets of Corrupt Foreign Officials Act and related Regulations;
- OSFI Guideline B-8: Deterring and Detecting Money Laundering and Terrorist Financing; and
- Various guidelines issued by FINTRAC.

## AML/ATF Regime at SBIC

The key objectives of the Bank's AML/ATF regime include taking appropriate measure for deterring and detecting ML/TF, reducing the risk of unwittingly being used for ML/TF, ensuring that all aspects of the Bank's operations are in compliance with the applicable requirements and its own policies and procedures, proactively identifying and resolving potential incidents of non-compliance, providing reliable and timely reports to the senior management and the Board of Directors; and meeting expectations of the stakeholders and regulators. To achieve these objectives, the Bank has implemented a robust AML/ATF Regime. The Key elements of the Bank's AML/ATF Regime include the following:

- a. Oversight by the Board of Directors and Senior Management;
- b. Appointment of a Chief Anti-Money Laundering Officer (CAMLO);
- c. Development, implementation, and periodic review of AML/ATF policies and procedures;
- d. Implementation of a Risk-Based Approach;
- e. Client Due Diligence;
- f. Monitoring and reporting of prescribed transactions, record keeping
- g. Formal training program;
- h. Self-Assessments;
- i. Independent Reviews conducted by the Compliance Team; and
- j. Effectiveness Testing conducted by Internal Audit.

The AML/ATF Regime of the Bank is also subject to assessments by OSFI and FINTRAC.