



Navigating the New FINTRAC KYC Requirements for Canadian Title Insurers

Welcome!

The webinar will start shortly.



Navigating the New FINTRAC KYC Requirements for Canadian Title Insurers

Virtual information session for legal professionals

Introduction



Rob V. Budhwa

Vice-President

Legal, Risk & Compliance | FCT



Ora Morison

Associate | Blakes

Agenda

- Inclusion of Title Insurers in Canada's AML Regime
- Regulatory Requirements
- FCT's Workflow
- Your questions answered

Background Information

- Title insurers are now reporting entities under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (PCMLTFA).
- Effective October 1, 2025.



AML Compliance Program

- Verify the identity of each purchaser.
- Collect and record certain data inputs related to the purchaser and underlying transaction.
- Report suspicious transactions to FINTRAC.



Agency Agreement Overview

- Created to define responsibilities between the parties and identify which data inputs are requested.
- Lawyers to obtain clients' fully informed and voluntary consent.
- There is no solicitor-client relationship created between lawyer and title insurer.



Regulatory Requirements

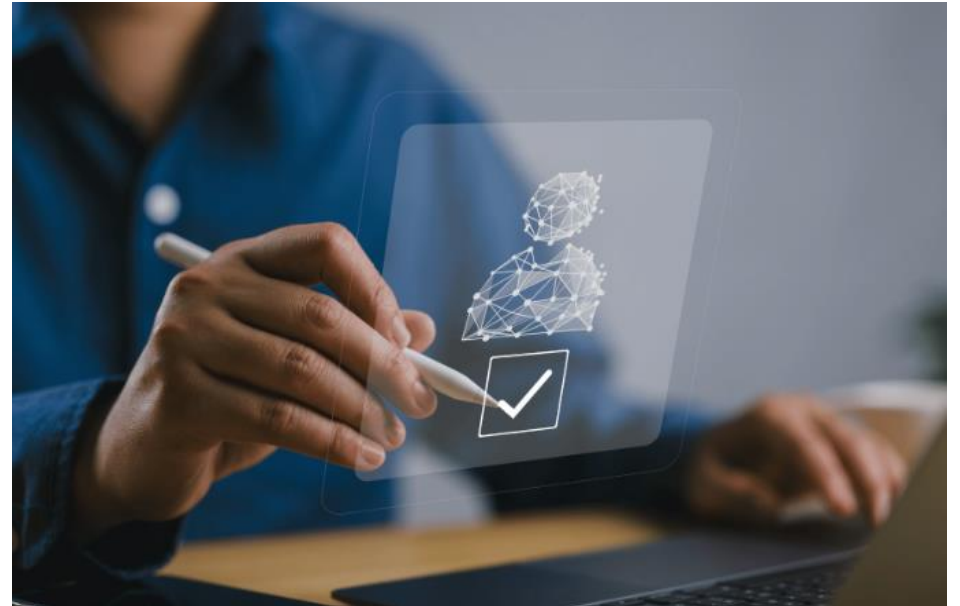
For Identity Verification, Title Insurers must:

- Verify the identity of **an individual** who is the purchaser of real property or an immovable and to whom FCT provides a homeowner title insurance policy.
- Verify the identity of **a corporation or other entity** that is the purchaser of real property or an immovable and to which FCT provides a homeowner title insurance policy.



ID Verification Methods

- Government-issued photo identification
- Dual-process
- Credit file



Detailed Record Transaction

- Name, address of the purchaser and, in the case of an individual, their date of birth
- Legal description and address
- Closing date of the purchase
- Purchase price
- Amount of loan secured by a mortgage/hypothec and the name of the lender
- Name of the vendor (if known)
- Title information found in the land registry in which the title is recorded



Suspicious Transaction Reporting Requirements

- FCT reports to FINTRAC
- Take measures to verify the individual or entity



FCT's Workflow

What's changing?

- Order flow updates
- Agency agreement on a per-transaction approach
- Integrated into the title insurance order workflow



What's in the Agency Agreement?

- The agency agreement does not form a solicitor-client relationship between the title insurer and the lawyer/notary.
- You must obtain fully informed and voluntary consent from your purchaser client prior to sharing any client confidential information with us.
- This consent should include:
 - The specific information to be disclosed to FCT
 - The purpose of disclosure (i.e. our compliance with FINTRAC obligations).
 - The possibility that the information may be reported to FINTRAC without the client's knowledge.

Ordering Process

Establish Transaction Details

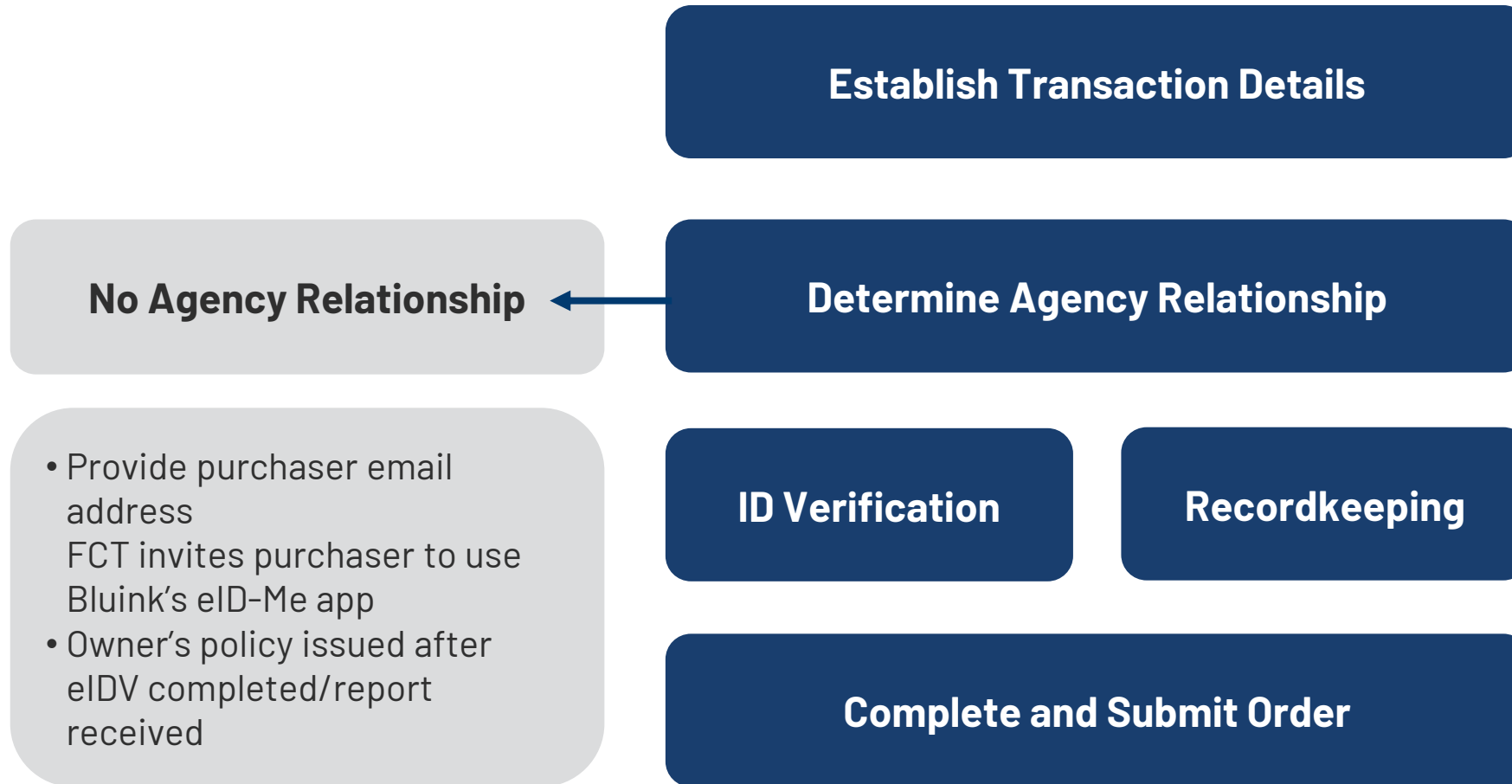
Determine Agency Relationship

ID Verification

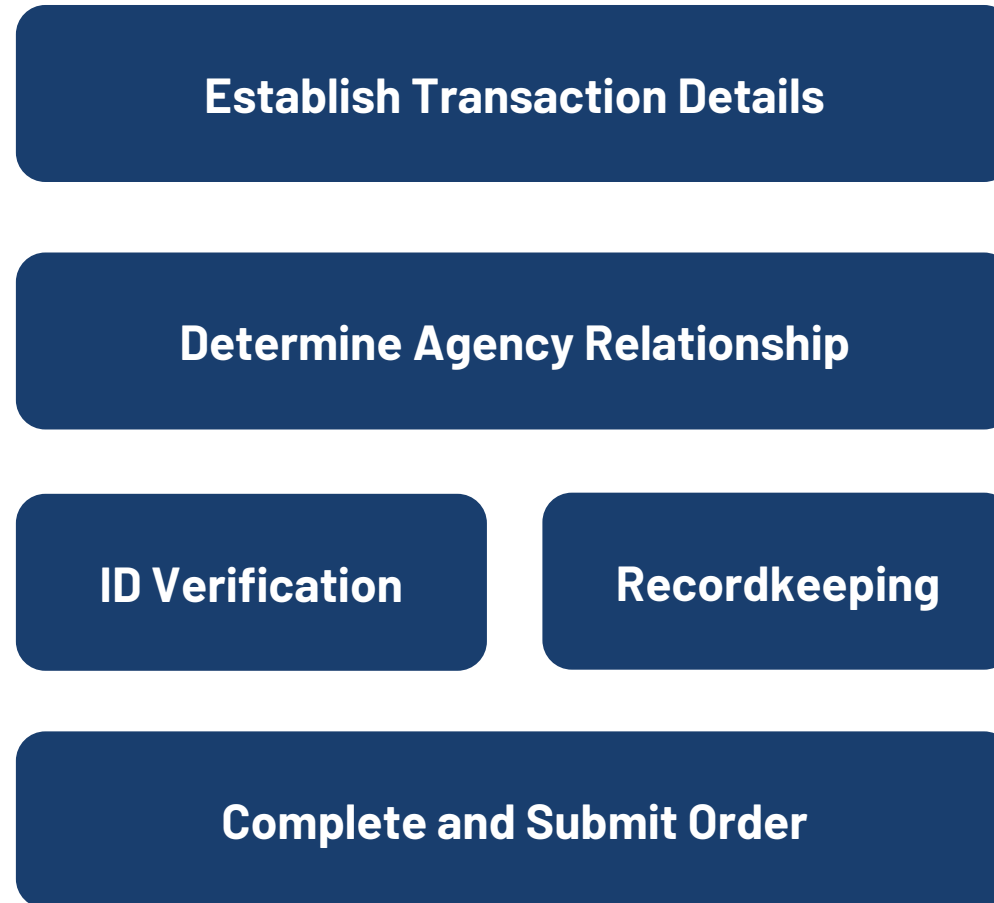
Recordkeeping

Complete and Submit Order

Ordering Process



Ordering Process



Corporations and Other Entities

- Record confirming legal existence:
 - Name
 - Address
 - Director(s)
- Upload corporate profile report
- Exemption rule for large, public corp.

Q&A

Your questions answered

Q&A

Agency Agreement Questions

Q&A

ID Verification Questions

Q&A

Process Related Questions

Q&A

Privacy Protection

Conclusion

- Circulate the recent FCT notice to your team.
- Review your consent process for purchase clients.
- Review the agency agreement and communicate your preference to your team on becoming FCT's agent.



Thank you!

A recording of this session will be available on **FCT.ca/webinars**