

## CSA Guide to Monthly Suppression of Terrorism and Canadian Sanctions Reporting (“STCS Guide”)

Canada’s legislative measures against terrorist financing, and against financial dealings with certain sanctioned individuals and entities, are contained in various Canadian statutes and regulations.

These statutes, such as the *Criminal Code* (Canada), and other regulations set out prohibitions and impose compliance and disclosure obligations relating to specific individuals and entities and their financial activities. In some cases, registrants, exempt dealers and exempt advisers are required to file monthly Suppression of Terrorism or Canadian sanctions reports (**Monthly STCS Reports**).

The *Criminal Code* (Canada) and any current or future legislative provisions requiring Monthly STCS Reports are referred to in this guide as **Federal Provisions**.

### Overview of certain duties

#### Duty to determine: Designated Persons

Entities that are subject to Federal Provisions are required to determine on a continuing basis whether they are in possession or control of property owned or controlled by or on behalf of an entity or person listed or designated in a particular Federal Provision (each a **Designated Person**).

Each Federal Provision includes a list of Designated Persons. Not all Federal Provisions use the same defined term when referring to such persons or entities.

The table below provides a list of each Federal Provision and the term used for a listed or designated person or entity.

*Fig.1*

Federal Provision	Defined Term for Designated Persons
Criminal Code of Canada	“listed entity”
Regulations Implementing the United Nations Resolutions on the Suppression of Terrorism	“listed person”
United Nations Al-Qaida and Taliban Regulations	“person associated with Al-Qaida” “person associated with the Taliban”

Federal Provision	Defined Term for Designated Persons
Regulations Implementing the United Nations Resolution on the Democratic People's Republic of Korea	"designated person"
Regulations Implementing the United Nations Resolution on Iran	"designated person"
Special Economic Measures (Venezuela) Regulations	"listed person"
Justice for Victims of Corrupt Foreign Officials Act (Sergei Magnitsky Law)	"foreign national"

The table below provides a list of each Federal Provision and a hyperlink to a list of Designated Persons under the corresponding Federal Provision.

Please note that in some cases the lists are separated into a list for individuals and a list for entities.

Fig. 2

Federal Provision	Link to List
Criminal Code of Canada  Regulations Implementing the United Nations Resolutions on the Suppression of Terrorism  United Nations Al-Qaida and Taliban Regulations	<a href="http://www.osfi-bsif.gc.ca/Eng/fi-if/amlc-clrpc/atf-fat/Pages/default.aspx">http://www.osfi-bsif.gc.ca/Eng/fi-if/amlc-clrpc/atf-fat/Pages/default.aspx</a>  Note: the above link is a consolidated list of names subject to the <i>Criminal Code</i> , and/or the <i>Regulations Implementing the United Nations Resolutions on the Suppression of Terrorism</i> and/or <i>United Nations Al-Qaida and Taliban Regulations</i>
Regulations Implementing the United Nations Resolution on the Democratic People's Republic of Korea	<a href="http://www.osfi-bsif.gc.ca/Eng/fi-if/amlc-clrpc/snc/unas-slnu/Pages/kp.aspx">http://www.osfi-bsif.gc.ca/Eng/fi-if/amlc-clrpc/snc/unas-slnu/Pages/kp.aspx</a>

Federal Provision	Link to List
Regulations Implementing the United Nations Resolution on Iran	<a href="http://www.osfi-bsif.gc.ca/Eng/fi-if/amlc-clrpc//snc/unas-slnu/pages/ir.aspx">http://www.osfi-bsif.gc.ca/Eng/fi-if/amlc-clrpc//snc/unas-slnu/pages/ir.aspx</a>
Special Economic Measures (Venezuela) Regulations	<a href="http://lois-laws.justice.gc.ca/eng/regulations/SOR-2017-204/FullText.html">http://lois-laws.justice.gc.ca/eng/regulations/SOR-2017-204/FullText.html</a>  <b>Note: Scroll down to “Schedule” at the end</b>
Justice for Victims of Corrupt Foreign Officials Act (Sergei Magnitsky Law)	<a href="http://laws.justice.gc.ca/eng/regulations/SOR-2017-233/page-2.html#h-5">http://laws.justice.gc.ca/eng/regulations/SOR-2017-233/page-2.html#h-5</a>

Federal Provisions are updated frequently.

**Therefore, it is important that registrants, exempt dealers, and exempt advisers review the STCS Guide periodically; CSA staff recommends that this be done on a monthly basis. You may also sign up to an RSS feed on the Global Affairs Canada website at**

**<http://www.international.gc.ca/sanctions/consolidated-recapitulative.aspx?lang=eng>**

#### *Duty to disclose – supervising and regulating agencies*

Federal Provisions generally require you to report your findings with respect to Designated Persons on a monthly basis, including the reporting of a *Nil* response if you determine that none of your clients are Designated Persons.

**Reports are usually required to be provided on the 14<sup>th</sup> day of each month, to your principal regulator.** A senior officer of the firm, preferably the Chief Compliance Officer, should sign the monthly report.

#### *Freezing property*

Federal Provisions will usually contain a prohibition on any person in Canada and any Canadian outside Canada to knowingly:

- deal, directly or indirectly, with property of a Designated Person,
- enter into or facilitate, directly or indirectly, any transaction in respect of such property, or
- provide any financial or other services for or for the benefit of a Designated Person.

Please refer to the text of a specific Federal Provision for clarity on prohibited dealings and activities.

**Duty to disclose – RCMP and CSIS**

Federal Provisions will usually contain a reporting requirement applicable to any person in Canada and any Canadian outside Canada to forthwith report to either the Royal Canadian Mounted Police (**RCMP**) or the Canadian Security Intelligence Service (**CSIS**) or both (depending on the Federal Provision) and any property held for any Designated Person and any information about transactions or proposed transactions with respect to that property.

You may provide information to these organizations as follows:

**RCMP**

Anti-terrorist Financing Team

Unclassified fax: 613-825-7030

**CSIS**

Financing Unit

Unclassified fax: 613-369-2303

There are also additional reporting requirements under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*, which require the submission of a terrorist property report to the Financial Transactions and Reports Analysis Centre of Canada (**FINTRAC**).

For instructions relating to the preparation and submission of this report, reporting entities should visit the FINTRAC website at: <http://www.fintrac-canafe.gc.ca>

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