XXX Company Name

XXX Address (full mailing address)

Financial Transactions and Reports Analysis Centre of Canada
24th floor, 234 Laurier Avenue West
Ottawa ON  K1P 1H7
CANADA

Sent via email to: VSDONC.ADVNC@fintrac-canafe.gc.ca

XXX Date

# Voluntary Disclosure of Non Compliance & Resolution

We are writing voluntarily disclose a non-compliance issue and its subsequent resolution.

Provide a brief summary of the incident here. This will repeat somewhat in the sections below (and that’s ok).

Please remember not to include customer personal information (PI) in your submission to FINTRAC.

# Discovery

**When and how did you discover the instance of non-compliance?**

In this section, describe how and when the non-compliance was discovered. If significant time has passed since discovery, it may also be useful to explain what has happened during that time.

This may repeat a bit from the sections above, and that’s okay. A problem may be discovered by:

* Customer feedback or complaints;
* Self-testing or compliance testing;
* Auditor or AML Compliance Effectiveness Reviewer; or
* Regulator review (this may be FINTRAC or another regulator that looks at your AML program).

The description should clearly indicate when the problem was brought to the company’s attention.

If a lot of time has passed between the issue coming to light and your resolution, explain why that is the case in this section. Remember that it is important to show that you are committed to compliance. Saying that you were busy with other things is not going to be considered a good reason for a delay; working with staff and your IT providers to be certain that you understood the root cause of the issue and had a plan to remedy it is a good reason.

# Issue

**How and why did the instance of non-compliance occur?**

To complete this section, you must conduct ‘root cause analysis.’ This means figuring out why you were non-compliant. Describe exactly what the issue was, how it happened and why it happened. This is not meant to blame a specific individual, technology or process, but to demonstrate that you understand the problem.

You should state here whether the issue was a “one time” issue or a systemic (reoccurring) issue. In either case, you should describe how you know that. This means that you will need to look back at previous transactions. Describe everything that you have done to make this determination.

# Timing

**On what date or range of dates did the instance of non-compliance occur?**

In order to complete this section, you must fully understand the issue and when it began.

# Scope

**the instance of non-compliance is regarding reporting, what was the total number of reports impacted during the period in question?**

Summary statistics may be presented here. If multiple report types were missed and/or late, provide a summary for each type.

If there are no missed or corrected reports, keep this section and note that no reporting was missed.

**If the instance of non-compliance is regarding record keeping, what was the total number of records impacted during the period in question?**

Summary statistics may be presented here. If multiple record types were impacted, provide a summary for each type.

If there are no impacted records, keep this section and note that there were no recordkeeping impacts (this would be rare).

# Remedy

**What action has been taken to remedy the instance of non-compliance?**

This section may include:

* Additional staff training or staff bulletins;
* New or improved software or technology-based solutions;
* New processes or process improvements;
* Hiring additional staff;
* Updates to the compliance program; and/or
* Any other steps that you have taken or plan to take.

Each measure that you take should have a clear description in its own paragraph. The measures that you take should be directly related to the cause of the issue. For example, if a report was missed because key staff did not understand the 24-hour rule, the Compliance Officer may conduct a training session with key staff.

There should be back-up documentation for all of the steps that you take to remedy the issue. Your back-up documentation does not need to be attached to this letter, but you should be able to show what you’ve done if FINTRAC requests additional information.

**If not already resolved, when do you expect to correct this instance of non-compliance?**

In this section, be reasonable in your estimates of the time that it will take to make the appropriate corrections. What is reasonable will vary case-by-case.

**If the instance of non-compliance is regarding reporting and reports are outstanding or need to be changed, what is your plan to submit or correct these reports?**

This may include measures such as automation, additional staff, or the use of external resources (such as consultants or contractors).

# Compliance Program & Review

**Did a review of your policies and procedures, as part of your required compliance program, identify the problem? If not, why?**

This can be a difficult question to answer. Generally speaking, any review that is conducted will include only a sample of your transactions for a period of time. It may be that the transactions(s) not part of the sample or that the transaction(s) happened outside of the review period. If the type of transaction was not tested in the review, make sure that it is included in the next review (and make note of that in this section and in the resolution section of this letter).

**Have you conducted a full review of reports for the last two (2) years to ensure that any missed reports are submitted? If not, why?**

The expectation is as we understand it is that a review of reporting that looks back at least two years be conducted. If the issue Is long-term and pervasive, it may be appropriate to look back at a longer period of time.

# Summary & Closing

We are committed to preventing, detecting and deterring money laundering and terrorist financing and compliance with the Proceeds of Crime (Money Laundering) and Terrorist Financing Act and its regulations. If you require any additional information, please contact us.

Sincerely.

XXX contact person name

XXX contact email address

XXX contact phone number

# Appendix: Report Details

If the instance of non-compliance is regarding reporting, provide a list of report effected. Please include the following pieces of information about each report:

* FINTRAC Report number (if the report was submitted by F2R)
* Reporting Entity Report Reference number (if the report was submitted by batch)
* The date of the report was submitted
* The date the transaction took place