

CSA Staff Notice 31-352
*Monthly Suppression of Terrorism
and
Canadian Sanctions Reporting
Obligations*

This notice replaces Canadian Securities Administrators (CSA) Staff Notice 31-317 Reporting Obligations Related to Terrorist Financing (Revised), dated July 30, 2010 (CSA Staff Notice 31-317).

February 22, 2018

The Canadian Securities Administrators (CSA) are issuing this Staff Notice regarding monthly reporting and other requirements applicable, under federal laws, to “entities authorized under provincial legislation to engage in the business of dealing in securities or to provide portfolio management or investment counselling services,” which include registrants, entities engaging in the business of “dealing in securities” pursuant to exemptions from the dealer registration requirement (**exempt dealers**) and entities engaging in the business of providing “portfolio management or investment counselling services” pursuant to exemptions from the adviser registration requirement (**exempt advisers**).

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 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 Staff Notice as the **Federal Provisions**.

To assist registrants, exempt dealers and exempt advisers, the CSA has created a *CSA Guide to Monthly Suppression of Terrorism and Canadian Sanctions Reporting* (the **STCS Guide**). The STCS Guide can be found at:

https://www.securities-administrators.ca/uploadedFiles/Industry_Resources/STCSGuide.pdf.

Although CSA staff will make best efforts to ensure the STCS Guide is current and include all Federal Provisions requiring Monthly STCS Reports, the CSA cannot guarantee that the list will be up to date at all times. It is the responsibility of each registrant, exempt dealer and exempt adviser to comply with its federal obligations at all times.

Some parts of this guidance were previously published in CSA Staff Notice 31-317. With the publication of the updated guidance in this notice, CSA Staff Notice 31-317 is hereby withdrawn.

Purpose of Staff Notice

The CSA are issuing this Staff Notice for the following purposes:

- to advise registrants, exempt dealers and exempt advisers that Federal Provisions may be added, modified or repealed at any time, and to accordingly direct these entities to the STCS Guide,
- to provide information regarding the submission of monthly reports under all Federal Provisions and advise registrants, exempt dealers, and exempt advisers that the report may continue to be filed with the principal regulator electronically, and
- to provide summary information on Federal Provisions which impose, among other things, the monthly reporting requirements for registrants, exempt dealers, and exempt advisers.

Types of reporting

Registrants, exempt dealers, and exempt advisers generally have certain obligations under the Federal Provisions. These can include Monthly STCS Reports. In most cases, a Federal Provision requires reports to be made to a “principal agency or body that supervises or regulates it under federal or provincial law”. In the case of a registrant, CSA staff consider that this reference corresponds to a “principal regulator” for securities purposes. While the Federal Provisions are not specific on this point, for convenience CSA staff advise exempt dealers and exempt advisers to make these reports to the jurisdiction in Canada where most of their clients reside. In this Staff Notice, such a regulator is also referred to as a “principal regulator”.

The information contained in the reports is provided to the Office of the Superintendent of Financial Institutions (**OSFI**). Further information on these laws and the reporting obligations can be found on the OSFI website at: <http://www.osfi-bsif.gc.ca>.

Designated Persons

A Federal Provision will generally contain a provision stating that persons or entities associated with terrorism or otherwise subject to Canadian sanctions may be listed (**Designated Persons**). Entities that are subject to Federal Provisions, including registrants, exempt dealers, and exempt advisers must report any dealings they have with Designated Persons.

Generally, the framework for listing Designated Persons is found in the Federal Provisions. Federal Provisions may use different terms to describe Designated Persons. For example, the *Regulations Implementing the United Nations Resolution on the Democratic People’s Republic of Korea* and the *Regulations Implementing the United Nations Resolution on Iran* use the term

“Designated Person” as it is defined in section 1 of those Federal Provisions. In contrast, the *Special Economic Measures (Venezuela) Regulations* uses the term “listed person” as it is defined under section 2 of that Federal Provision and the *Justice for Victims of Corrupt Foreign Officials Act (Sergei Magnitsky Law)* uses the term “foreign national” as defined in section 2 of that Federal Provision. The *United Nations Al-Qaida and Taliban Regulations* refer to “person[s] associated with the Taliban” and “person[s] associated with Al-Qaida.”

For the purposes of this Staff Notice and the associated monthly reporting form, the term “Designated Person” shall refer to any person or entity listed or designated in a Federal Provision. Please refer to the STCS Guide for consolidated lists of Designated Persons.

Overview of certain duties (as set out in the STCS Guide)

The duties imposed under Federal Provisions may include the following:

Duty to disclose – supervising and regulating agencies

Federal Provisions generally require you to review your records, on a continuing basis to determine whether you are in possession or control of property owned or controlled by or on behalf of a Designated Person and to report your findings 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 14th day of each month, to your principal regulator. A senior officer of the firm, preferably the Chief Compliance Officer, should physically or electronically sign the monthly report.

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.

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) 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>

New consolidated reporting form

The CSA regulators have revised their previous reporting form to create a new CSA form which refers to Federal Provisions requiring Monthly STCS Reports, rather than mentioning specific Federal Provisions by name.

The purpose of these changes is to update the form and make it applicable to all Federal Provisions, including those currently in force (which may have come into force after the publication of CSA Staff Notice 31-317) and those which may come into force in the future. The content of the form has also been updated to capture all of the information now required by Federal Provisions currently in force.

The new form will continue to be submitted to the principal regulator by e-mail or electronic form. Members of the Investment Industry Regulatory Organization of Canada (**IIROC**) are requested to use the appropriate reporting forms issued by, and file those forms with, IIROC.

Registrants, exempt dealers and exempt advisers should file only one monthly consolidated report in respect of all Federal Provisions, even though names of Designated Persons may be listed under several Federal Provisions.

The new form is available on the websites of the CSA regulators.

Please refer to the attached Appendix A for the website address of your principal regulator (please complete the form, print it, and have it signed by the appropriate individual before you scan it for e-mailing to your principal regulator, or submit per the electronic form instructions as appropriate).

If you have any questions about these requirements, you can contact your principal regulator at the telephone number or e-mail address listed in Appendix A.

While this Staff Notice reflects CSA staff views on the general application of Federal Provisions, those potentially affected by these federal laws are advised to seek legal advice on the matters dealt with by this Staff Notice. This Staff Notice provides summary information only and reflects information as of the date set out above. Please refer to the text of a specific Federal Provision for a complete description of your obligations.

In addition, there are other federal regulations that may be applicable to registrants, exempt dealers and exempt advisers that include searching, monitoring, asset freezing and reporting obligations with respect to listed persons (as defined in the respective regulations). In the case of reporting obligations under some of these other regulations, you must report to the RCMP and /or CSIS, rather than to your principal regulator on a monthly basis.

Registrants, exempt dealers and exempt advisers should continue to monitor the notices from OSFI for any new regulations that may come into effect regarding similar obligations, or updates to existing obligations to search, monitor and report. You may want to visit the OSFI website at <http://www.osfi-bsif.gc.ca>

In addition, we encourage you to subscribe to the notification service on the OSFI website <http://www.osfi-bsif.gc.ca> in order to receive new updating e-mail notices and reminders concerning new developments and reporting requirements.

Appendix A
List of CSA Regulators E-mail Addresses, Websites, and inquiry details
for Monthly Reporting
(Please send the reports to the
principal regulator only)

Alberta

Alberta Securities Commission
Web: www.albertasecurities.com
Questions: registration@asc.ca
E-mail to: unreports@asc.ca

British Columbia

British Columbia Securities Commission
Web: www.bcsc.bc.ca
Questions: 604 899-6667
E-mail to: mstreport@bcsc.bc.ca

Manitoba

The Manitoba Securities Commission
Web: www.mbsecurities.ca
Questions: 204-945-2548
e-mail to: unreports@gov.mb.ca

New Brunswick

Financial and Consumer Services Commission
of New Brunswick
Web Site: www.fcnb.ca
Questions : 506 658-3060
Email : nrs@fcnb.ca

Newfoundland and Labrador

Financial Services Regulation Division
Department of Service NL
Web: www.servicenl.gov.nl.ca
Questions: 709 729-2595
Email to: scon@gov.nl.ca

Nova Scotia

Nova Scotia Securities Commission
Web: www.gov.ns.ca/nssc/
Questions: 902 424-4592
E-Mail to: brian.murphy@novascotia.ca

Northwest Territories

Government of the Northwest Territories
Office of Superintendent of Securities
Department of Justice
Web:
[https://www.justice.gov.nt.ca/en/divisions/legal-
registries-division/securities-office/](https://www.justice.gov.nt.ca/en/divisions/legal-registries-division/securities-office/)
Questions: 867 767-9305
E-Mail to: securitiesregistry@gov.nt.ca

Nunavut

Government of Nunavut
Office of Superintendent of Securities
Department of Justice
Web: www.justice.gov.nu.ca
Questions: 867 975-6590
E-mail to: theffernan@gov.nu.ca
or CorporateRegistrations@gov.nu.ca

Ontario

Ontario Securities Commission
Web: www.osc.gov.on.ca
eform: [link](#)
Questions: 416 593-8314 or 1-877-785-1555
E-mail to: UNReports@osc.gov.on.ca

Prince Edward Island

Steven D. Dowling, Acting Director
Consumer, Corporate and Financial Services
Division
Justice and Public Safety
Government of Prince Edward Island
T: 902 368-4551
C: 902 314-7627
F: 902 368-5283
E-mail to: sddowling@gov.pe.ca

Québec

Autorité des marchés financiers
Web: www.lautorite.qc.ca
Questions: 1 877 525-0337
E-mail to: rappports.terrorisme@lautorite.qc.ca

Saskatchewan

Financial and Consumer Affairs Authority of
Saskatchewan
Web: www.fcaa.gov.sk.ca
Questions: 306 787-9397
E-mail to: registrationfcaa@gov.sk.ca

Yukon

Office of the Yukon Superintendent of Securities
Web: <https://yukon.ca/>
Questions: 867 667-5466
E-mail to: securities@gov.yk.ca

**CONFIDENTIAL
when completed**

Revised: February 22, 2018

Monthly Suppression of Terrorism and Canadian Sanctions Report

Reports must be filed by all entities authorized under provincial legislation to engage in the business of dealing in securities or to provide portfolio management or investment counselling services. Please refer to the CSA Guide to Monthly Suppression of Terrorism and Canadian Sanctions Reporting, and to CSA Staff Notice 31-352 for further guidance regarding this report.

Name of Registrant/Exempt Dealer/Exempt Adviser:	Date of filing of this report: _____ / _____ / _____ (dd / mm / yy)
Address:	Monthly period covered in this report: _____ / _____ (see Note 2) (month) / (year)

If you have a **POSITIVE REPORT** to file, check **“YES”**, then fill out page 3 of this form, sign the certificate section at page 4 and file this report.

Yes The above Registrant/Exempt Dealer/Exempt Adviser has accounts in the name of a Designated Person*, or has contracts with a Designated Person, or possesses or controls property that is owned or controlled by or on behalf of a Designated Person.

*Please refer to the definitions at page 3 for the definition of “Designated Person”.

If you have a **NIL REPORT** to file, check **“NO”**, then sign the certificate on page 2 below and file this report.

No The above Registrant/Exempt Dealer/Exempt Adviser does not have an account in the name of a Designated Person*, or have a contract with a Designated Person, or possess or control property that is owned or controlled by or on behalf of a Designated Person.

*Please refer to the definitions at page 3 for the definition of “Designated Person”.

NIL REPORT CERTIFICATE

The Undersigned certifies that, to the best of his/her knowledge, and after having made reasonable enquires, the information contained in this report is correct.

Name	Signature	Title	E-mail	Telephone	Date (dd/mm/yyyy):
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POSITIVE REPORT

If you have checked the “Yes” box above, please complete the table below and the certificate at the end of this form.

<p>Definitions:</p> <ul style="list-style-type: none"> • “Designated Person” has the meaning ascribed to it in the <i>CSA Guide to Monthly Suppression of Terrorism and Canadian Sanctions Reporting</i>. • “Monthly STCS Reports” means monthly Suppression of Terrorism or Canadian sanctions reports, as described in CSA Staff Notice 31-352. • “Number of Accounts” means the number of accounts, policies or contracts associated with a Designated Person. • “Property” includes assets under administration (both discretionary and non-discretionary).
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Type of Dealing with Designated Person	Number of Accounts (see Note 2)	Property Value (Canadian \$) (see Note 3)
Property		
Cash, cash equivalents, demand and term deposits		
Securities (bonds, debentures, commercial paper, treasury bills, mutual fund units, common and preferred shares, and derivatives)		
Life Insurance and Annuity products with cash surrender value (cash surrender value)		
Other property, including real estate		
Property Totals		

This report must be filed by every entity that is authorized under provincial legislation to engage in the business of dealing in securities, or to provide portfolio management or investment counselling services (**Registrants/Exempt Dealers/Exempt Advisers**) (see Note 1).

The report must be sent by e-mail or electronic form to your principal regulator no later than the fourteenth (14th) day of each calendar month. If such a day falls on Saturday, Sunday or statutory holiday, the report is due on the next business day. The reporting month is the month on which the report is based (e.g. for the report due on December 14, the reporting month would be November).

Please see Appendix A of this form for the e-mail address or link to the electronic form designated by each of the CSA regulators for this purpose.

You must review your records on a continuing basis for any dealing with Designated Persons. You must consult with the *CSA Guide to Monthly Suppression of Terrorism and Canadian Sanctions Reporting* before filing the report.

Notes:

These Notes are provided as general information only. They do not constitute legal advice, and are not intended to replace the laws referred to in this report. You should refer to these laws for full details regarding your obligations.

** For reports filed with the OSC as the principal regulator, you will need to complete and submit the electronic form if your firm's name appears on the drop-down menu in the electronic form. If your name does not appear you will need to email your report to UNReports@osc.gov.on.ca.*

1. The information required in this report is required pursuant to section 83.11 of the *Criminal Code* (Canada) and other Canadian federal legislation requiring Monthly STCS Reports. Members of the Investment Industry Regulatory Organization of Canada (**IIROC**) are requested to use the appropriate reporting forms issued by, and file those forms with, IIROC.
2. All reports must cover continuous dates and there must be no gaps in the reporting periods starting with the first day of each month and ending with the last day.
3. All amounts must be stated in Canadian dollars. NOTE: If the original amount of the property frozen is denominated in a currency other than Canadian dollars, then the Canadian dollar equivalent should be reported using the same rate of exchange that was in effect on the date that the property was originally frozen and reported to law enforcement.
4. You must include information from any branches located outside Canada.

5. This is an aggregate report of dealings that Registrants/Exempt Dealers/Exempt Advisers have with Designated Persons. Do not append personal information or account or policy information. Such information must be directed, if applicable, to the Royal Canadian Mounted Police, the Canadian Security Intelligence Service, and if applicable, the Financial Transactions and Reports Analysis Centre of Canada (**FINTRAC**) and, in respect of any foreign operations, to foreign law enforcement officials.
6. This report is a consolidated report. You must include information reported by your subsidiaries.
7. This report is cumulative. Information reported in the previous month must continue to be reported on the form for the current month unless the person in whose name the property is identified is no longer subject to the reporting requirements in a Monthly STCS Report.
8. If there are no assets frozen, you may file a NIL report by checking the “No” box on page 2 to confirm this. This includes situations where you may be seeking clarification from the authorities about whether an account holder is in fact a Designated Person; in other words you may file a NIL report where you have not made a determination that you are dealing with a Designated Person. There is no need to report numbers of accounts where you are still seeking clarification from the authorities.
9. All amounts and numbers provided must be entered in the table. Appendices that refer to additional information are not acceptable unless they provide clarifying information relating to data in the table.

Reminder: The *Criminal Code* (Canada) and other Canadian federal legislation requiring Monthly STCS Reports will generally require every person in Canada and every Canadian outside of Canada to disclose forthwith to the Commissioner of the Royal Canadian Mounted Police and /or the Director of the Canadian Security Intelligence Service (a) the existence of property in their possession or control that they know or have reason to believe is owned or controlled by or on behalf of a Designated Person, and (b) information about a transaction or proposed transaction in respect of a property in their possession or control that they know or have reason to believe is owned or controlled by or on behalf of a Designated Person. In addition, under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*, persons subject to that Act are also required to report to FINTRAC.

Appendix A

List of CSA Regulators E-mail Addresses, Websites, and inquiry details for Monthly Reporting (Please send the reports to the principal regulator only)

Alberta

Alberta Securities Commission
Web: www.albertasecurities.com
Questions: registration@asc.ca
E-mail to: unreports@asc.ca

British Columbia

British Columbia Securities Commission
Web: www.bcsc.bc.ca
Questions: 604 899-6667
E-mail to: mstreport@bcsc.bc.ca

Manitoba

The Manitoba Securities Commission
Web: www.mbsecurities.ca
Questions: 204 945-2548
e-mail to: unreports@gov.mb.ca

New Brunswick

Financial and Consumer Services
Commission of New Brunswick
Web Site: www.fcnb.ca
Questions : 506 658-3060
Email : nrs@fcnb.ca

Newfoundland and Labrador

Financial Services Regulation Division
Department of Service NL
Web: www.servicenl.gov.nl.ca
Questions: 709 729-2595
Email to: scon@gov.nl.ca

Northwest Territories

Government of the Northwest Territories
Office of Superintendent of Securities
Department of Justice
Web:
[https://www.justice.gov.nt.ca/en/divisions/legal-
registries-division/securities-office/](https://www.justice.gov.nt.ca/en/divisions/legal-registries-division/securities-office/)
Questions: 867 767-9305
E-Mail to: securitiesregistry@gov.nt.ca

Nova Scotia

Nova Scotia Securities Commission
Web: www.gov.ns.ca/nssc/
Questions: 902 424-4592
E-Mail to: brian.murphy@novascotia.ca

Nunavut

Government of Nunavut
Office of Superintendent of Securities
Department of Justice
Web: www.justice.gov.nu.ca
Questions: 867 975-6590
E-mail to: theffernan@gov.nu.ca
or CorporateRegistrations@gov.nu.ca

Ontario

Ontario Securities Commission
Web: www.osc.gov.on.ca
eform: [link](#)
Questions: 416 593-8314 or 1 877 785-1555
E-mail to: UNReports@osc.gov.on.ca

Prince Edward Island

Steven D. Dowling, Acting Director
Consumer, Corporate and Financial Services Division
Justice and Public Safety
Government of Prince Edward Island
T: 902 368-4551
C: 902 314-7627
F: 902 368-5283
E-mail to: sddowling@gov.pe.ca

Québec

Autorité des marchés financiers
Web: www.lautorite.qc.ca
Questions: 1 877 525-0337
E-mail to: rapports.terrorisme@lautorite.qc.ca

Saskatchewan

Financial and Consumer Affairs Authority of Saskatchewan
Web: www.fcaa.gov.sk.ca
Questions: 306 787-9397
E-mail to: registrationfcaa@gov.sk.ca

Yukon

Office of the Yukon Superintendent of Securities
Web: <https://yukon.ca/>
Questions: 867 667-5466
E-mail to: securities@gov.yk.ca