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**Presentación a la Superintendencia de
Bancos e Instituciones Financieras y
la Asociación de Bancos de Chile**

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The Canadian Perspective

Current Laws

- **Customer Identification**
- **Reporting Suspicious Transactions**
- **Reporting Large Cash Transactions**
- **Reporting Cross-Border Wire Payments**

The Canadian Perspective

- **Canada's FIU – FINTRAC**
 - **Over 28,000 Suspicious Transactions**
 - **Over 5 million LCTRs**
 - **Over 8 million EFTRs**

 - **142 Disclosures to Law Enforcement**
 - **CAD \$2 billion**
 - **Average 7 individuals**
 - **Average 5 businesses**
 - **Average 136 transactions**

The Canadian Perspective

- ***“Enhancing Canada’s AML/ATF Regime”***
 - **Strengthening KYC standards**
 - **KYC Remediation**
 - **Non Face-To-Face Situations**
 - **Dealers in Precious Metals and Stones**
 - **Registration of MSBs**
 - **Administrative & Monetary Penalties**
 - **AML/ATF Advisory Committee**

The Canadian Perspective

The Regulatory Environment

- Office of the Superintendent of Financial Institutions (OSFI)
- FINTRAC

The Canadian Perspective

Industry cooperation

- **Canadian Banker's Association – Money Laundering Working Group**
- **Investment Funds Institute of Canada**
- **Investment Dealer Association**

Key Challenges

- **Global KYC Risk Management**
- **Varying local regulations**
- **Establishing a single Global Standard**
 - **Highest Common Denominator applies**

U.S. Implications



- Office of Foreign Assets Control
- Application to Non-U.S. Financial Institutions
- Application to U.S. Persons
- Breadth of definitions “transaction” and “facilitation”
- Cover payments – SWIFT MT 202
- “Integration” or “Attribution” interpretation

Real Life Examples



Case #1: Residential Real Estate

Case #2: Cross border wire payments

Best Practices



- Consolidated KYC Risk Management
 - Manage customer risk globally
 - A Risk Management Approach
 - Common standards
 - Forge a compliance network

Best Practices



AML Framework - Building Blocks

1. Risk-Based KYC
2. Transaction monitoring
3. Customer monitoring
4. Training
5. Testing – “How do you know?”

Other Ideas

- *Whenever possible, embed the AML compliance activities within the sales process and management practices.*
- *Compliance should become engrained in the corporate culture of the financial institution.*
- *Every day AML compliance activities should reflect our corporate values. It is not only about what we do, but also a reflection of who we are.*



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