FINTRAC Compliance January 1, 2026

The finance leasing organizations that CIP Office Technology utilizes are required by law comply with federal FINTRAC regulations. Under Canadian law, these activities are governed by the **Proceeds of Crime (Money Laundering) and Terrorist Financing Act (PCMLTFA)**, which came into effect in **2000**, together with the **SOR/2002-184 Regulations**, which took effect in **2002** and formally established compliance obligations for financing and leasing entities. These laws set out Anti-Money Laundering (AML) and Know Your Customer (KYC) requirements to prevent fraud, money laundering, and terrorist financing by ensuring transactions are legitimate and customers are properly identified.

As part of these requirements, identity verification may include collecting standard documents such as a government-issued photo ID - for example, a driver's licence and a secondary document like a utility bill to confirm address information. Compliance with **FINTRAC** requirements under the Act and Regulations, protects both our customers and our business while ensuring personal information is handled securely and responsibly.

As of April 1, 2025, this national program pertains to all Banks, Lending Institutions, Leasing Companies and Credit Unions.

The program is to confirm that the person who executed for the transaction not involved in criminal or terrorist activity. To ensure that legal financial documents are not a fraudulent transaction.

This also in turn, ensures the signor on the document is aware of the transaction and not having an unknown fraudulent transaction.

Canadian law requires leasing and financing companies to comply with federal Anti-Money Laundering (AML) and Know Your Customer (KYC) regulations. Regulatory authorities may impose financial penalties on companies that fail to meet these obligations. Depending on the nature and severity of the non-compliance, penalties can range from **thousands of dollars** for minor administrative issues to **up to $1 million per violation** for more serious breaches.

By complying with **FINTRAC** requirements, leasing providers avoid these risks while ensuring transactions are secure, transparent, and properly documented. For customers, this means stronger protections, reduced exposure to fraud, and confidence that financing arrangements are handled in accordance with long-standing federal law. Simply put - compliance protects everyone—and keeps the focus on smooth, trustworthy business.

For more information visit the Government of Canada website at

https://fintrac-canafe.canada.ca/re-ed/lease-bail-eng