Risk Assessment Form

Part 1 The purpose of this form is to assist you in assessing and documenting the threats and vulnerabilities to money laundering and terrorist financing to which your brokerage may be exposed as required by law. This form must be completed at least once every two years and kept on file for five years.

Date: . . . . . .

Office: . . . . . .

Completed By: . . . . . .

Broker Verification: . . . . . .
(Signature) (Date)

Part 2 The following checklist provides examples to facilitate your risk assessment. It should not be considered an exhaustive list. You can customize this checklist if you feel that this is appropriate in order to properly assess your brokerage's risks related to money laundering and terrorist financing.

	Frequently	Occasionally	Seldom	Never	N/A
Do you offer services to clients located in countries subject to a ministerial directive?					
Do you offer electronic funds payment services?					
Do you offer funds transfers? (domestic and international)					
Are client properties located in a high-crime rate area?					
Do you or your clients operate or undertake activities in the following countries:					
• Any country subject to sanctions, embargoes or similar measures issued by, for example, the United Nations ("UN"). In some circumstances, sanctions or measures similar to those issued by bodies such as the UN, but which may not be universally recognized. (Please see URL information #1 and #2 on page 3)					
• Any country identified as financial secrecy havens or jurisdictions.					
• Any country identified by the Financial Action Task Force (FATF) as non-cooperative in the fight against money laundering or subject to an FATF statement? You can consult the current Non-Cooperative Countries and Territories listed on the FATF's Website. (Please see URL information #3 on page 3)					
• Any country identified by credible sources - As lacking appropriate money laundering laws and regulations - As providing funding or support for terrorist activities? - As having significant levels of corruption, or other criminal activity? (Please see URL information #3-6 on page 3)					

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	Frequently	Occasionally	Seldom	Never	N/A
Identify whether any of the following applies to individual clients:					
Have you dealt with successive transactions of the same property in a short period of time?					
Do your clients operate a “cash business”?					
Do your clients conduct transactions involving multiple cash deposits?					
Do your clients’ businesses generate large amounts of cash for certain transactions that are not normally cash intensive?					
Does your client use intermediate vehicles (such as corporations, trusts, foundations, partnerships) or other structures that do not seem usual for their business or seem very complex and unnecessary?					
Are your clients foreign residents, do you have clients that are foreign residents?					
Have any clients been identified as having engaged in activity that is consistent with the indicators identified for Suspicious Transactions? (Please see URL information #7 on page 3)					
Are 3rd party vehicles (i.e. trusts) used to obscure the true owner of the transaction?					
Are your clients intermediaries?					
Do your clients use unsupervised intermediaries?					
Do you deal with assignments of a legally binding contract?					

	Frequently	Occasionally	Seldom	Never	N/A
Identify whether any of the following applies to Corporate or business clients:					
Is the client an unregistered charity or other unregulated “not for profit” organization (especially one operating on a “cross-border” basis)?					
Does the client’s structure or nature of its business or relationship make it difficult to identify the true owners or controllers?					
Are 3rd party vehicles (i.e. trusts) used to obscure the true owner of the transaction?					
Are your clients intermediaries?					
Do your clients use unsupervised intermediaries?					
Do you deal with assignments of a legally binding contract?					

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	Frequently	Occasionally	Seldom	Never	N/A
Do you rely on a salesperson for such obligations as client identification?					
Does client identification take place other than face-to-face?					
Is your client base primarily repeat business?					
Is your client base primarily referral business?					
Is your client base primarily new business?					

1) UN:
https://www.un.org/securitycouncil/

2) Canada:
https://www.international.gc.ca/world-monde/international_relations-relations_internationales/sanctions/current-actuelles.aspx?lang=eng

3) FATF:
http://www.fatf-gafi.org/publications/high-riskandnon-cooperativejurisdictions/?hf=10&b=0&s=desc(fatf_releasedate)

4) MONEYVAL:
https://www.coe.int/en/web/moneyval/home

5) IMF:
https://www.imf.org/en/Countries

6) IMoLIN:
http://www.imolin.org/imolin/amlid/index.jspx?lf_id=

7) FINTRAC Guidance related to Suspicious Transactions:
https://www.fintrac-canafe.gc.ca/guidance-directives/transaction-operation/1-eng

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Part 3 Based on all of your responses in Part 2, and any other factor that you think may be relevant, including the geographic location in which your business operates or undertakes activities and any new technology your brokerage has adopted that you think impacts your risk level, rank your brokerage's overall risk of a money laundering offence or a terrorist financing offence and explain how you arrived at this rationale in the space below.

For greater clarity, if you are completing this form as part of a mandatory two year review, you are required to explain the rationale used to determine your brokerage's risk level during this review even if your risk level has not changed.

You must provide an adequate explanation for your risk level. A few lines or paragraphs are not sufficient. Brokers may wish to consider using FINTRAC's *Risk-based approach workbook for the Real estate sector*, to assist them with their analysis or as an alternative to this document.

Brokerage Overall Risk Level:	☐ **Low**	☐ **Medium**	☐ **High**

Explanation:

Explain brokerage services and delivery channel risks:

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Explain risks associated with new technologies and developments at the brokerage:

Explain geographic risks:

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Explain client and business relationship risks:

Explain any other risks:

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Part 4 Risk Mitigation Strategy

You are required to develop written *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* compliance policies and procedures. CREA has prepared an Office Compliance Manual to use as a reference tool to help you get started. It is available on REALTOR Link®. If you incorporate the Office Compliance Manual into your compliance policies and procedures, you must tailor it to reflect the nature, size and complexity of your operations.

If you determined in Part 3 that your brokerage overall risk level is high, you must consult and apply the section of your compliance policies and procedures relating to mitigating high risks. This means if the overall risk level is high, your Compliance Manual must specifically address any areas that place your brokerage at high risk for money laundering and terrorist financing by explaining how your brokerage will mitigate these risks.

Document your brokerage's risk mitigation strategies here as well:

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