



Guideline: Methods to ascertain the identity of individual clients

In force as of June 30, 2016

Amendments to the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (PCMLTFA) and its associated Regulations have changed the methods that reporting entities can apply to ascertain the identity of clients. From June 30, 2016 to June 30, 2017, there will be a transitional period during which either the methods described in this guideline or the methods listed in [Guideline 6 \(a\) to \(j\)](#) can be used. As of June 30, 2017, this transitional period will end and you will be required to apply the methods listed in this guideline to ascertain the identity of your clients.

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Glossary of terms

The following terms are used throughout this guideline.

Ascertain client identity: Ascertaining the identity of a client requires referring to certain information or documentation to **verify** a client's identity and ensuring that this information matches what you know about the client.

Current: To be considered current, an identification card or document must not have expired.

Financial account: Refers to a deposit, credit card or other loan account held by a financial entity. This does not include accounts such as Registered Retirement Savings Plans (RRSPs). A financial entity is a bank, a trust or loan company, a caisse populaire, or a credit union.

Independent: For the purposes of ascertaining client identity, the term "independent" means that the sources must be different; the information cannot be from the same issuer.

Original: Original refers to any paper or electronic document as it comes from the issuer directly to their client.

Reliable: In reference to a source, "reliable" means that the source is well known and considered reputable, and is one that you trust to verify the identity of the client.

Source: The issuer or provider of information or documents for ascertaining identification

Valid: Refers to a document or information that appears legitimate or authentic and does not appear to have been altered or had any information redacted. The information must also be valid according to the issuer, for example if a passport is invalid because of a name change, it is not valid for FINTRAC purposes.

Introduction

Amendments to the PCMLTFA and its associated Regulations have changed the methods that reporting entities can apply to ascertain the identity of clients. From June 30, 2016 to June 30, 2017, there will be a transitional period during which either the methods described in this guideline or the methods listed in [Guideline 6 \(a\) to \(j\)](#) can be used. As of June 30, 2017, this transitional period will end and you will be required to apply the methods listed in this guideline to ascertain the identity of your clients.

If you have already ascertained the identity of your clients according to the regulations that were in force at that time, you are not required to do so again.

It is important to note that all documents used to ascertain client identity must be original, valid and current. Information found through social media is not acceptable.

This guideline also clarifies when you can rely on an agent or mandatary, or another entity to ascertain the identity of your clients. The two charts below summarize the client identification methods, recordkeeping obligations and who can identify your client on your behalf.

Chart 1: Summary of methods to ascertain client identity

| Ascertaining client identity directly | | | |
|---------------------------------------|--|--|---|
| Client identification method | Documents or information to review | Identification details that must match | Recordkeeping obligations |
| Photo identification | Photo identification issued by government | Name and photograph | <ul style="list-style-type: none"> • Client identification information • Type of document • Document number • Issuing jurisdiction and country • Expiry date • Date of verification |
| Credit file | Canadian credit file in existence for at least three years | Name, address and date of birth | <ul style="list-style-type: none"> • Client identification information • Source of credit file • Reference number • Date of verification |
| Dual process | Two original, valid and current documents or information from independent and reliable sources | Name, address and date of birth | <ul style="list-style-type: none"> • Client identification information • The name of the two different sources used to identify your client • The type of information • Account or reference number • Date of verification |

Chart 2: Summary of who can identify your client on your behalf

| Ascertaining client identity by an agent, mandatary or entity | |
|--|--|
| Client can be identified by your: | Recordkeeping obligations |
| Domestic or foreign affiliate | <ul style="list-style-type: none"> • Client identification information • Name of the entity that identified your client |
| Financial services cooperative or credit union central | <ul style="list-style-type: none"> • The identification method used • Information gathered according to the method used • Date of verification |
| Agent or mandatary | <ul style="list-style-type: none"> • Client identification information • Name of the entity that identified your client • Written agreement with agent • The identification method used • Information gathered according to the method used • Date of verification • Date you referred to their verification of your client |

Single process methods

Government-issued photo identification method

How do I use a photo identification document to ascertain the identity of my client?

You can rely on valid, current and original photo identification issued by a federal, provincial or territorial government to ascertain client identity. You may accept a foreign photo identification document if it is equivalent to a Canadian photo identification document listed in this guideline. Photo identification documents issued by a municipal government, Canadian or foreign, are not acceptable.

You must view the original document while in the presence of your client in order to compare your client with their photo.

The photo identification document must:

1. indicate the client's name
2. have a photo of the client
3. have a unique identifier number

It is not acceptable to view photo identification online, through a video conference or through any virtual type of application. You cannot accept a copy or a digitally scanned image of the photo identification.

What information needs to be recorded when using the photo identification method?

If you are using this method to ascertain client identity, you must record:

1. The client's name
2. The type of card or document used (for example, driver's license, B.C. Services Card)
3. The unique identifier number of the document or card
4. The issuing jurisdiction and country of the document
5. The expiry date of the document or card, if available (if the information appears on the document or card, you must record it)
6. The date on which you verified the information

Examples of acceptable photo identification documents

The following list provides examples of acceptable government-issued photo identification documents from federal, provincial or territorial authorities. This is not an exhaustive list.

Table 1: Examples of acceptable photo identification documents

| Type of card or document | Issuing jurisdiction |
|--|------------------------------------|
| Passport | Canada |
| Permanent resident card | Canada |
| Citizenship card (issued prior to 2012) | Canada |
| Secure Certificate of Indian Status | Canada |
| Driver's licences | |
| British Columbia Driver's Licence | British Columbia |
| Alberta Driver's Licence | Alberta |
| Saskatchewan Driver's Licence | Saskatchewan |
| Manitoba Driver's Licence | Manitoba |
| Ontario Driver's Licence | Ontario |
| Québec Driver's Licence | Québec |
| New Brunswick Driver's Licence | New Brunswick |
| Nova Scotia Driver's Licence | Nova Scotia |
| Prince Edward Island Driver's Licence | Prince Edward Island |
| Newfoundland and Labrador Driver's Licence | Newfoundland and Labrador |
| Yukon Driver's Licence | Yukon |
| Northwest Territories Driver's Licence | Northwest Territories |
| Nunavut Driver's Licence | Nunavut |
| The DND 404 Driver's Licence | The Department of National Defence |
| Provincial services cards | |
| British Columbia Services Card | British Columbia |
| Provincial or territorial identity cards | |
| British Columbia Enhanced ID | British Columbia |
| Alberta Photo Identification Card | Alberta |
| Saskatchewan Non-driver photo ID | Saskatchewan |
| Manitoba Enhanced Identification Card | Manitoba |
| Ontario Photo Card | Ontario |
| New Brunswick Photo ID Card | New Brunswick |

| | |
|---|---------------------------|
| Nova Scotia Identification Card | Nova Scotia |
| Prince Edward Island Voluntary ID | Prince Edward Island |
| Newfoundland and Labrador Photo Identification Card | Newfoundland and Labrador |
| Yukon General Identification Card | Yukon |
| Northwest Territories General Identification Card | Northwest Territories |
| Nunavut General Identification Card | Nunavut |

Note: You cannot use a provincial health card for identification purposes where it is prohibited by provincial legislation.

Credit file method

How do I use the credit file method to ascertain the identity of my client?

You can ascertain the identity of a client by referring to a Canadian credit file that has been in existence for at least three years. To be acceptable, the credit file details must match the name, date of birth and address provided by the client. If any of the information does not match, you will need to use another method to ascertain client identity.

Complete credit files provide ratings on individuals to assess their ability to repay loans; however, it is possible to request a credit file to confirm a client's identifying information that does not include a credit assessment. You do not need a credit assessment to ascertain client identity. Equifax Canada and TransUnion Canada are Canadian credit bureaus that provide credit file information for identification purposes.

A client cannot provide you with a copy of their credit file. You must obtain the information directly from a Canadian credit bureau. It is acceptable, however, to use an automated system to match your client's information with credit file information. You may also rely on a third party vendor that can provide you with an original and valid Canadian credit file. A third party vendor is an entity that is authorized by a Canadian credit bureau to provide Canadian credit information.

To rely on a credit file search, you must conduct the search **at the time** you ascertain your client's identity. In other words, you are required to consult the credit file as part of the process to verify your client's identity. To be acceptable as a single source:

1. The credit file must match the name, address and date of birth that the client provided.
2. The credit file must be from Canada; foreign credit files are not acceptable.
3. The credit file must have been in existence for at least three years.

What information needs to be recorded when using the credit file method?

If you are using this method to ascertain client identity, you must record:

1. The client's name
2. The name of the Canadian credit bureau holding the credit file
3. The reference number of the credit file
4. The date you consulted or searched the credit file

Dual process method

You can ascertain the identity of a client using the dual process method. This method involves referring to information from reliable and independent sources. The information may be found in documents from these sources or may be information that these sources are able to provide. If you refer to a document, you must view the original, valid and current document. If you refer to information provided from a source, it must be valid and current. The client does not need to be physically present at the time you ascertain their identity.

What is a reliable source?

A reliable source is an originator or issuer of information that you trust to verify the identity of the client. When you are relying on a source to verify a client's name and address or a client's name and date of birth, the source must be reliable. The source should be well known and considered reputable. The source providing the information cannot be you, as the reporting entity, or the client; it must be independent. For example, reliable sources can be the federal, provincial, territorial and municipal levels of government, crown corporations, financial entities or utility providers.

What is an acceptable original document?

If you are referring to a document in the dual process method, you must ensure that you see the original paper or electronic document and not a copy. The original document is the one your client received or obtained from the issuer through posted mail or electronically. The document must appear to be valid and unaltered in order to be acceptable. If any information has been redacted, it is not acceptable.

For example, an original paper document can be a utility statement mailed to your client by the utility provider. Whereas an original electronic document is one the client received through email or by downloading it directly from the issuer's website.

Your client can email you the original electronic documents they received or downloaded, or your client can show you the document on their electronic device (for example, a smartphone, tablet, or laptop). Your client can print electronic documents that they receive or download from

the issuer, or they can show them to you in their original format such as .pdf (Adobe) or .xps (Microsoft viewer). Original documents do not include those that have been photocopied, faxed or digitally scanned.

Examples

- The client can show you their original paper utility statement in person or by posted mail.
- The client can email or show you on their electronic device an electronic utility statement downloaded directly from the issuer's website.
- The client can print and show you the statement they downloaded from the issuer.
- The client can email or show you on their electronic device a mortgage statement received by email from the issuer.

How do I use the dual process method to ascertain the identity of my client?

To use the dual process method to ascertain a client's identity, you can refer to any two of the following categories:

- Documents or information from a reliable source that contain the client's name and date of birth;
- Documents or information from a reliable source that contain the client's name and address; or
- Documents or information that contain the client's name and confirms that they have a deposit, credit card or other loan account with a financial entity.

You must refer to original documents or information from two independent, reliable sources to ascertain your client's identity, and all the information must match the information provided by your client. If you refer to an original document that has an expiry date, it must be current, and if there is no expiration date, it must be a recent version of the document. For example, if your client provides you with a credit card statement or a Canada Revenue Agency (CRA) notice of assessment, it would need to be the latest one received by your client.

You cannot rely on information issued by a single source, even if it confirms an *account* and contains the *name, address and date of birth*. It is also important to note that you cannot use the same source for the two categories of information you use to ascertain the client's identity. For example, you can refer to a bank statement that contains the client's name and address from Bank A and confirm a deposit account at Bank B. It would not be acceptable, however to view a statement from Bank A, and confirm a deposit account at Bank A. As another example, you cannot rely on a CRA document that contains the client's name and address and a different CRA document that contains the client's name and date of birth, because the CRA is the same source for both documents.

Table 2 provides examples of information you can rely on to ascertain client identity using the dual process method. You must use original documents or information from two independent and reliable sources to ascertain your client's identity. For example:

1. You use one source to verify your client's ***name*** and ***address*** and a second source to verify their ***name*** and ***date of birth***.
2. You use one source to verify your client's ***name*** and ***address*** and a second source to verify their ***name*** and confirm a ***financial account***.
3. You use one source to verify your client's ***name*** and ***date of birth*** and a second source to verify their ***name*** and confirm a ***financial account***.

This is not an exhaustive list and you must always rely on valid and current information, or original, valid and current documents from independent and reliable sources.

Table 2: Examples of reliable sources of information under the dual process method

| <p style="text-align: center;">Documents or information to verify name and address</p> <p style="text-align: center;">Column A</p> | <p style="text-align: center;">Documents or information to verify name and date of birth</p> <p style="text-align: center;">Column B</p> | <p style="text-align: center;">Documents or information to verify name and confirm a financial account</p> <p style="text-align: center;">Column C</p> |
|--|--|--|
| <p>Issued by a Canadian government body</p> <ul style="list-style-type: none"> • Any card or statement issued by a Canadian government body (federal, provincial, territorial or municipal) <ul style="list-style-type: none"> ○ Canada Pension Plan (CPP) statement ○ Property tax assessment issued by a municipality ○ Provincially-issued vehicle registration • Benefits statement <ul style="list-style-type: none"> ○ Federal, provincial, territorial, and municipal levels • CRA documents: <ul style="list-style-type: none"> ○ Notice of assessment ○ Requirement to pay notice ○ Installment reminder / receipt ○ GST refund letter ○ Benefits statement <p>Issued by other Canadian sources</p> <ul style="list-style-type: none"> • Referring to the client's Canadian credit file that has been in existence for at least 6 months • Utility bill (for example, electricity, water, telecommunications) • T4 statement • Record of Employment • Investment account statements (for example, RRSP, GIC) • Identification product from a Canadian credit bureau (containing two trade lines in existence for at least 6 months) <p>Issued by a foreign government</p> <ul style="list-style-type: none"> • Travel visa | <p>Issued by a Canadian government body</p> <ul style="list-style-type: none"> • Any card or statement issued by a Canadian government body (federal, provincial, territorial or municipal) <ul style="list-style-type: none"> ○ Canada Pension Plan (CPP) statement of contributions ○ Original birth certificate ○ Marriage certificate or government-issued proof of marriage document (long-form which includes date of birth) ○ Divorce documentation ○ A permanent resident card ○ Citizenship certificate ○ Temporary driver's licence (non-photo) <p>Issued by other Canadian sources</p> <ul style="list-style-type: none"> • Referring to a client's Canadian credit file that has been in existence for at least 6 months • Insurance documents (home, auto, life) • Identification product from a Canadian credit bureau (containing two trade lines in existence for at least 6 months) | <p>Confirm that your client has a deposit account, credit card or loan account by means of :</p> <ul style="list-style-type: none"> • Credit card statement • Bank statement • Loan account statement (for example, mortgage) • Cheque that has been processed (cleared, non-sufficient funds) by a financial institution • Telephone call, email or letter from the financial entity holding the deposit account, credit card or loan account. • Identification product from a Canadian credit bureau (containing two trade lines in existence for at least 6 months) • Use of micro-deposits to confirm account |

What information needs to be recorded when using the dual process method?

There are specific records you must keep if you are using this method to verify your client's identity. You must record:

1. The client's name
2. The name of the two different sources that were used to identify your client
3. The type of information (for example, utility statement, bank statement, marriage license, CRA notice of assessment)
4. The account number associated with the information
 - a. If there is no account number, you must record a reference number that is associated with the information
5. The date you verified the information

Therefore, to use the dual process method to ascertain your client's identity, you must refer to original documents or information from two independent and reliable sources. The information must be current, appear valid, and match the information you already have about your client.

Who can you rely on to ascertain the identity of your client?

This section explains when you can rely on another entity, agent or mandatary to ascertain the identity of your client. You are legally responsible for ascertaining the identity of your client, even if you rely on another entity, agent or mandatary to do this. If you have any concerns about the methods or information used to identify your client, you should re-verify their identity.

To ascertain the identity of your client, you can rely on:

- a domestic or foreign affiliate of your entity; or
- a financial entity that is a member of your financial services cooperative or credit union central; or
- an agent or mandatary acting on your behalf.

Entities, agents or mandataries that ascertain your client's identity must have used one of the methods described in this guideline, and the information in their records must match the name, address and date of birth that the client provided.

Domestic and foreign affiliates

An entity is affiliated with another entity if one of them is wholly owned by the other, if both are wholly owned by the same entity or if their financial statements are consolidated. To rely on your affiliate for client identification purposes, they must also meet the definition of a bank, authorized foreign bank, cooperative credit society, savings and credit union, caisse populaire, life insurance company, trust company, loan company, or securities dealer. In other words, your affiliate must be recognized as an entity under paragraph [5\(a\) to \(g\)](#) in the PCMLTFA.

Financial services cooperative or credit union central

Financial services cooperatives or credit union centrals act on behalf of a membership composed of financial entities and can provide financial services to that group. A financial services cooperative is a cooperative that is regulated by the *Act respecting Financial services cooperatives* or the *Act Respecting the Mouvement Desjardins*.

A credit union central is a central cooperative credit society under the [Cooperative Credit Associations Act](#), or a credit union central or federation of credit unions or caisses populaires regulated by provincial Acts outside of Quebec. You can rely on a member of your financial services cooperative or credit union central to ascertain the identity of your client.

For example, Credit Union A has ascertained the identity of a client and this same client decides to open an account with Credit Union B. If Credit union A and B are members of the same credit union central, then Credit Union B can rely on the client identification conducted by Credit Union A.

Agent or mandatary

You must have a written agreement or arrangement with an agent or mandatary before you rely on them for ascertaining client identity.

What information needs to be recorded if an entity, agent or mandatary ascertained a client's identity?

Anyone ascertaining the identity of your client must meet the requirements listed under each client identification method in this guideline, and the information must match what the client provided.

Your records must include:

1. The full name of the entity, agent or mandatary that ascertained the identity of the client
2. The client identification method that was used
3. The information that was gathered by the entity, agent or mandatary to verify the identity of the client
4. The date on which the person or entity verified the identity of the client
5. The date you referred to the client identification information provided by the entity, agent or mandatary
6. If client identification was conducted by an agent or mandatary, you must maintain a copy of the agreement.

You must be satisfied that the information collected by the entity, agent or mandatary is valid and current.

What if the agent or mandatary has already identified your client?

You can rely on client identification information previously collected by an agent or mandatary. For example, if the agent ascertained your client's identity for another entity, and the information is still current, you can rely on it for your purposes.

If the identifying information that the agent used to ascertain the client's identity has now expired, you can still rely on it, as long as your agreement or arrangement existed with the agent before the information expired. The agent would have to re-identify your client if the identification information expires before you have an agreement in place with that agent or mandatary.

As part of the ongoing monitoring of business relationships requirements, you must update client identification information on a regular basis.

What if the information does not match the information the client provided?

If the name, address or date of birth in the information you refer to does not match the information you collected from that client, then you cannot rely on it for client identification purposes.

How do you ascertain the identity of a child?

If the child is under 12 years of age, you must ascertain the identity of the parent or guardian and record the parent's or guardian's information. You can rely on the information provided by the parent in order to record the child's identification details.

If the child is between 12 and 15 years of age, you can verify their identity directly using one of the methods outlined in this guideline, as long as you can refer to the required documents or information. If that is not possible, you can rely on one source of information that contains the name and address of the child's parent or guardian and a second source that contains the child's name and date of birth. For example, if the child has a passport you can ascertain their identity directly, if not, you could rely on the parent's bank account statement to confirm their common address and the child's birth certificate to confirm the child's name and date of birth.

Summary of client identification methods

Amendments to the PCMLTFA and its associated Regulations have changed the methods that reporting entities can apply to ascertain the identity of clients. From June 30, 2016 to June 30, 2017, there will be a transitional period during which either the methods described in this guideline or the methods listed in [Guideline 6 \(a\) to \(j\)](#) can be used. As of June 30, 2017, this transitional period will end and you will be required to apply the methods listed in this guideline to ascertain the identity of your clients. You must ensure that you meet your regulatory obligations, no matter which method you use to ascertain your clients' identity.

For further information, please contact FINTRAC.

Comments?

If you have comments or questions about this guideline, please email us at guidelines-lignesdirectrices@fintrac-canafe.gc.ca or use the mailing address below.

How to contact FINTRAC

For further information on FINTRAC and its activities, or reporting and other obligations, please go to FINTRAC's website at <http://www.fintrac-canafe.gc.ca> or contact FINTRAC:

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