



New FINTRAC Obligations and Guidance for Brokers, Compliance Officers + Admins

March 26, 2026 marks the end of surface-level real estate compliance. You can no longer close a deal with just the right paperwork—you must dynamically prove your Anti-Money Laundering (AML) and Anti-Terrorist Financing (ATF) program actually works.

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Navigating the new regulatory reality with front-line expertise and global compliance design.



Gene DiMira, CAMS-Audit, CGSS
Chief Compliance Officer

Brings a wealth of expertise rooted in extensive industry experience, white paper contributions, and drafting global guidance. Specializes in translating complex regulatory requirements into plain language for practical, real-world application.



Simon Fiore
CEO and Co-Founder

An award-winning Realtor with a deep-seated passion for modernizing the industry. Simon bridges the gap between front-line real estate experience and innovative technology, positioning Fintracker as the leading digital solution for simplifying complex FINTRAC compliance.

The difference between understanding the 2026 landscape and training for it.

This Regulatory Update (This Session)

Purpose: What's changed, emerging risks, and new FINTRAC expectations.

Scope: High-level, industry-wide trends.

Approach: Supports awareness for managing brokerages to keep current on requirements.

AML Training (Onboarding/Refresher)

Purpose: How to perform AML duties correctly on the front lines.

Scope: Tailored to your specific brokerage's risks, clients, and transactions.

Approach: Required, tested, and serves as primary evidence for FINTRAC examiners.

Personal liability and financial exposure escalate under FINTRAC Modernization.

Anonymous Client

Transactions halted immediately.

Effective Requirement

Compliance orders and agreements will impose strict audit corrections. Greater consequences for repeat or systemic deficiencies.

Penalties 40x

Substantially higher financial and personal liability exposure for brokers.

Risk Thermometer

The Q4 2026 Enrollment Mandate:

Enrollment becomes a strict condition of operating under the Act. Brokerages must budget for 2027 potential fees and compliance infrastructure immediately, as improper registration leads to direct penalty exposure.

FINTRAC examinations will now explicitly test whether your controls actually work in practice.

Effectiveness is no longer assumed; it is measured across two balanced pillars:

1. Program Design (Meeting Requirements)



- Maintaining comprehensive compliance program inventories.
- Integrating Guidance updates and Operational Alerts.
- Conducting Internal/External reviews after large projects.

2. Program Execution (Operating as Designed)



- Conducting rigorous Operations Quality Assurance (QA) reviews.
- Maintaining active oversight and evidence of compliance in practice.
- Completing an independent review every two years.



The absolute boundary for transaction progression: No ID equals no deal.

Transaction
Initiation

ID Verification



Impact on Brokers:

- Transactions legally may not proceed where identification is not obtained or verified.
- Pending guidance points to an expectation to refuse or terminate relationships entirely in these cases.

How to Respond Today:

- Adopt a fiercely conservative approach to ID verification immediately.
- Reinforce the boundary with eager agents: missing documentation triggers a hard stop.

Terminate
Relationship

Managing overlapping compliance friction across the entire transaction ecosystem.

The Brokerage



Corporate Discrepancy Reports

New obligations require reporting to registries when inconsistencies are identified for higher-risk entities.

Unrepresented Parties

Compliance obligations now extend beyond your direct client. Agents carry a much higher risk exposure and operational burden in dual or unrepresented scenarios.

Title Insurers

Expect overlapping or duplicated information requests. Title Insurers now require strict AML records, requiring improved communication across parties to close.

Tracing the true source of wealth through opaque corporate layers.

The Beneficial Ownership Mandate:

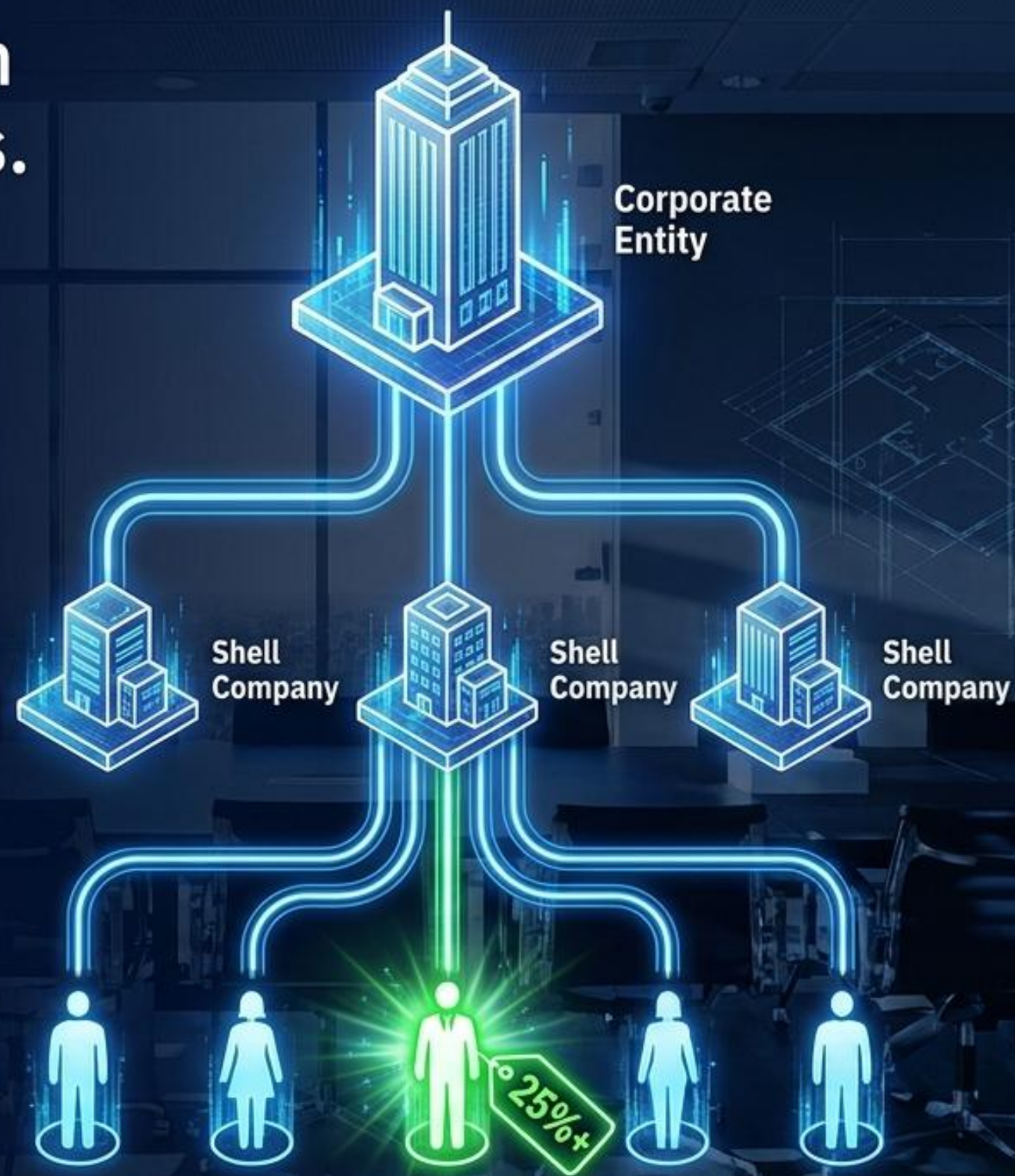
There is a mandatory requirement to verify the actual human individuals holding 25% or more of a corporate entity.

Impact on Brokers:

- Increased scrutiny on beneficial ownership accuracy.
- Greater due diligence expectations for all corporate clients.

How to Respond:

- Enhance verification processes to peel back complex shell companies or trusts.
- Implement strict procedures to identify and escalate discrepancies immediately.



The dual threats of the real estate sector: Obscuring inflows versus funding outflows.

Money Laundering (Proceeds of Crime)



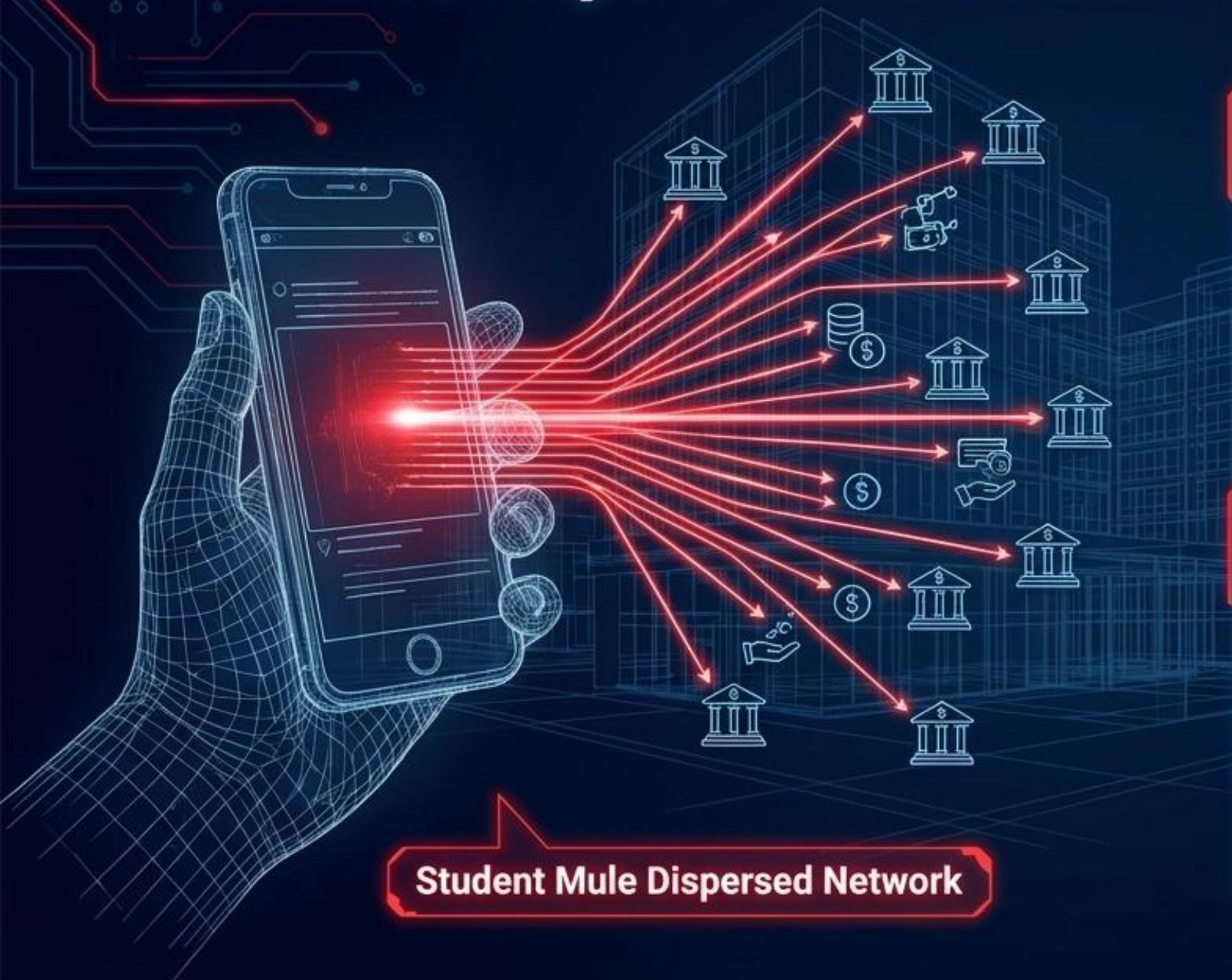
- Receiving dirty money and finding creative ways to get it out, obscuring the origin.
- Common Vectors: Elder abuse & mental capacity, Identity theft and account takeovers, Property Claims Fraud, Romance Scams & Caregiver Fraud, Tax Evasion.

Terrorist Financing



- The focus is on the use of funds for terrorist activity.
- The methods used to obscure the traceability of funds are identical to money laundering, but the end goal is funding destruction, not just hiding wealth.

The 2026 Extortion Alert: Layering the proceeds of diaspora violence through real estate.



Student Mule Dispersed Network

The Threat Landscape:

Organized crime networks (Bishnoi/Bambiha) are targeting South Asian business owners with extreme violence (firearms/arson) and "layering" the extortion money through real estate to legitimize it.

FINTRAC demands immediate prioritization of Suspicious Transaction Reports (STRs) for these links.

Key Red Flags:

- **The 'Student Mule' Trend:** Use of international student accounts to receive/transfer illicit proceeds.
- **Adverse Media:** Clients appearing in news reports regarding arson, shootings, or threats.
- **Distressed Liquidation:** Selling property/assets significantly below market value with extreme urgency.
- **Third-Party Payments:** Sale proceeds directed to unrelated third parties or multiple student-held accounts.
- **Behavioral Cues:** Clients who appear coached, nervous, or accompanied by unidentified individuals.

The 2025 NIRA Alert: Exposing straw purchasers and opaque ownership structures.

The Threat Landscape:

The Canadian Real Estate sector remains classified as **'Highly Vulnerable'** due to high transaction values and the ease of layering funds, specifically in geographic hotspots (GTA, GVA, Montreal) with prevalent foreign investment. There is a growing intersection with mortgage fraud using forged income documents.

Straw Purchasers:

Using students, retirees, or non-residents as 'fronts' who clearly lack the financial means for the purchase.

Opaque Ownership:

Using complex shell companies to hide the true Beneficial Owner.

Price Manipulation:

Property values significantly higher or lower than surrounding comparables.

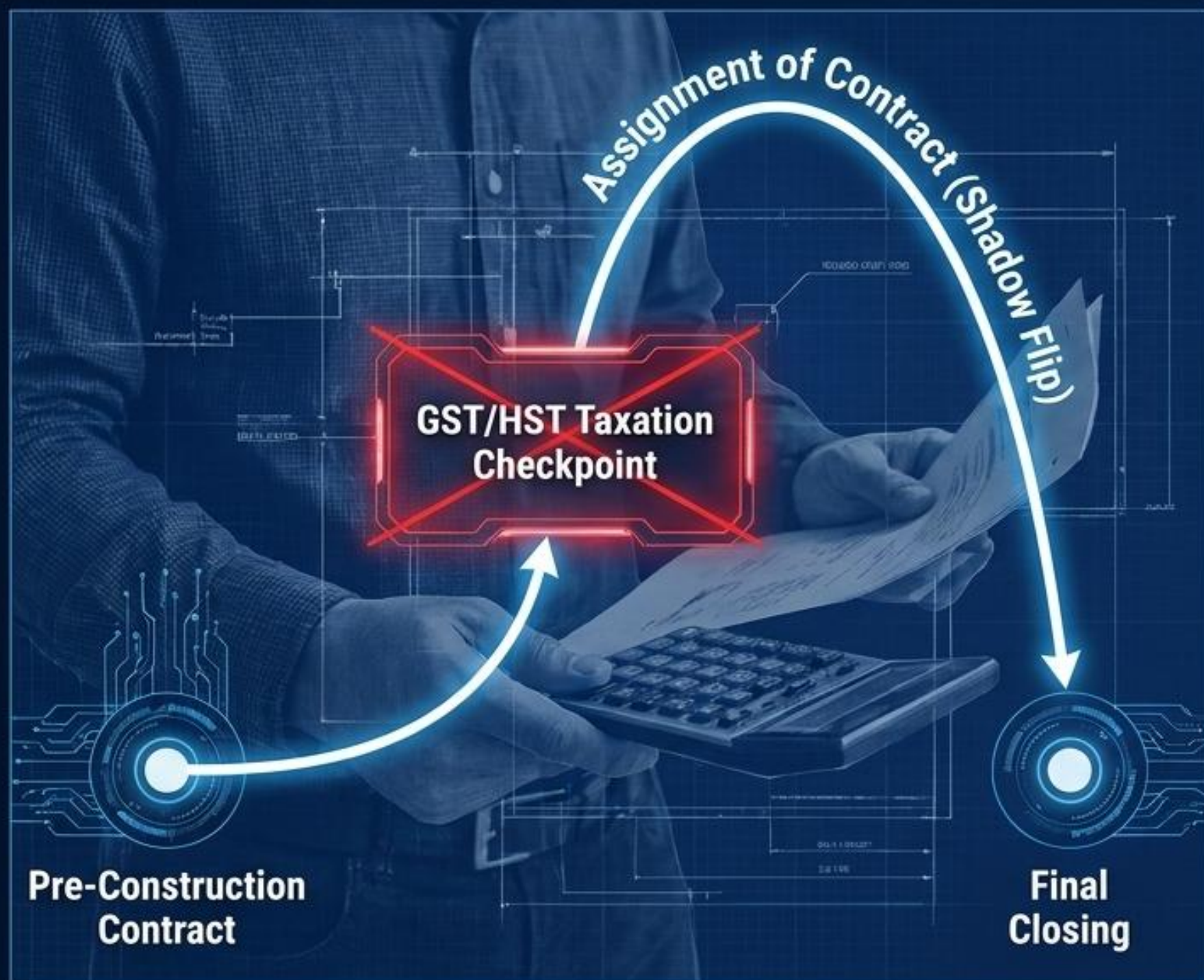
Non-Bank Financing:

Frequent use of private, unregulated lenders with unusual terms.

Rapid Turnaround:

Flipping properties multiple times without significant improvements.

The 2024 Tax Evasion Alert: Shadow flipping and the misuse of trust accounts.



The Threat Landscape:

Compliance programs must now evaluate a client's total **Source of Wealth (SoW)**, not just the origin of their deposit. Training must include real-world typologies of assignment-based money laundering integrated directly into STR monitoring systems.

Key Red Flags:

- **Shadow Flipping:** Frequent use of "Assignment of Contract" where the investor transfers interest before final closing, often with unreported gains.
- **Tax Non-Compliance:** A glaring lack of GST/HST reporting on assignment fees or deposits.
- **Account Misuse:** Using real estate trust accounts as "pass-through" vehicles for funds that never result in a property purchase.
- **Cash-Heavy Deposits:** Large cash deposits or bank drafts without a clear source of wealth.
- **Identity Discrepancies:** Altered documents or IDs that do not match physical appearance.

2024-2026 Global Sanctions: Mandatory screening against the Consolidated Autonomous List.

1. The Geopolitical Mandate:

Canada has shifted from 'Country-wide' bans to 'Targeted Entity and Person' lists. Real Estate Brokerages are now strictly required to screen clients and transactions against the Consolidated Canadian Autonomous Sanctions List, triggering immediate reporting obligations for matches.

2. High-Risk Directives & Red Flags:

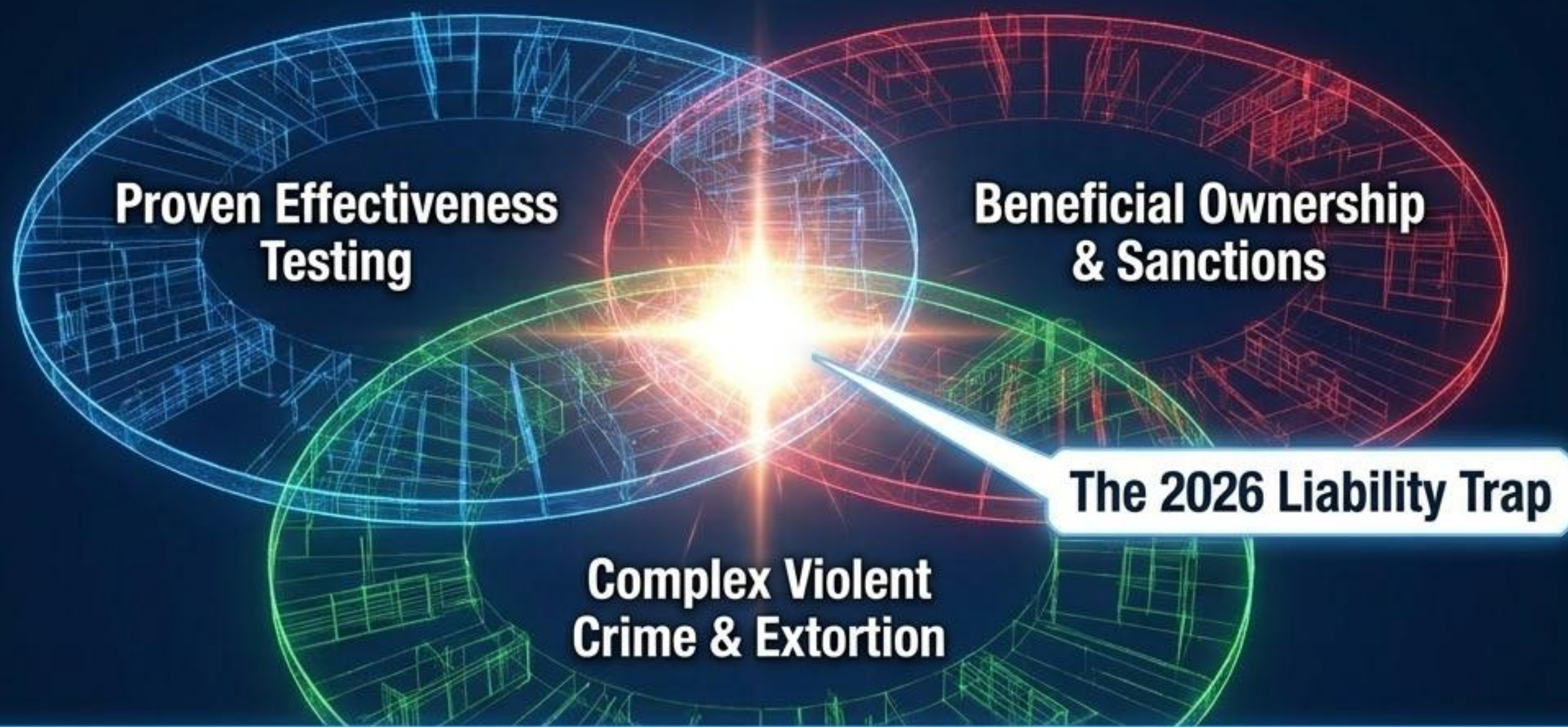
- **Ministerial Directives:** Russia, Belarus, Iran, and North Korea (DPRK) require careful assessment and likely an STR for any financial ties.
- **Syria Update (2026):** Despite new humanitarian carve-outs, Syria remains a 'High Risk' jurisdiction.
- **Third-Party Intermediaries:** Citizens/PRs purchasing on behalf of persons in Directive jurisdictions.



The 2024-2026 Threat Vector Matrix: Synthesizing the Operational Alerts.

Alert Category	Information Collected	What to Watch For
2026 Extortion Bulletin	<ul style="list-style-type: none">- Occupation (Student Status)- Identity (India/Pakistan Passport)- Source of Funds (EMT/Cash)	<ul style="list-style-type: none">- Youth (17-28) inconsistent with student status- Adverse media links to violence- Unexplained cash deposits at multiple branches- Zero long-term retention 'flow-through' accounts
2025 NIRA (Risk Assessment)	<ul style="list-style-type: none">- Relationship to Third-Party Funders- Beneficial Ownership (25%+)- Legal Corporate Existence	<ul style="list-style-type: none">- Straw purchasers as fronts- Opaque structures hiding true owners- Unregulated private mortgage funding- Rapid buy-sell flips
2024 Tax Evasion Alert	<ul style="list-style-type: none">- Assignment of Contract Docs- Source of Wealth (SoW)- Tax Status (GST/HST)	<ul style="list-style-type: none">- Unreported assignment gains (Shadow Flipping)- Trust account misuse- Funds inconsistent with total Source of Wealth- Tax evasion in pre-construction

The Convergence of Risk: When the client's story no longer matches their money.



The era of manual compliance is over. FINTRAC's STR standards now require you to synthesize objective facts, situational context, and specific crime typologies to clearly articulate grounds for suspicion. When extortion threats overlap with tax evasion and sanctions evasion, isolated 'tick-box' checks fail. The only way to survive a 2026 FINTRAC exam—and protect yourself from 40x personal liability penalties—is a holistic system that automatically connects the narrative of the client to the reality of the funds.

Securing Audit Readiness: Your next steps to fight crime today and tomorrow.

The 'Fintracker Complete' Approach:

Treat compliance as a core operational risk, not an administrative afterthought. To stay compliant and current on FINTRAC requirements, prioritize these immediate actions:

1. Close Gaps Immediately

Enforce 'No ID = No Deal', secure record-keeping, and activate immediate reporting protocols.

2. Automate Sanctions & Ownership

Deploy tools to instantly screen the Consolidated Canadian Autonomous Sanctions List and trace 25%+ Beneficial Ownership.

3. Ensure Audit-Ready Supervision

Implement Fintracker's dynamic effectiveness testing to guarantee your program operates exactly as designed, providing instant, immutable evidence for your next FINTRAC exam.



Questions and Answers



Thank you for attending

please reach out to www.fintracker.ca

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