

If you send money for clients, you are a money services business

In five penalties FINTRAC published on money transfer and currency exchange businesses between May 2025 and February 2026, the same finding recurs: written compliance policies that were missing, out of date or not applied. All five were set under the old penalty scale, which rose up to 40 times on 26 March 2026.

\$1,000

A transfer of this much means verifying who sent it, or who receives it

\$10,000

An international transfer this size is reported to FINTRAC within five business days

\$20M

Maximum penalty for one very serious violation, from 26 March 2026. Was \$500,000.

Sources: FINTRAC identity verification and EFT reporting guidance for MSBs; FINTRAC public penalty notices; PCMLTFA Administrative Monetary Penalties Regulations, s. 5; FINTRAC penalty policy.

Registration lets you open. Six obligations run every day after that.

For any business that sends, pays out or exchanges money for clients in Canada.

1 Register before the first transfer, and keep it current

Registration with FINTRAC lasts two years and is renewed before it expires. Any change to what you told FINTRAC, such as a new branch or agent, is reported within 30 days.

2 Check every agent before they act for you

Confirm the agent is eligible and review their criminal record check before engaging them, then again within 30 days of every second anniversary.

3 Know who sends and who receives

Verify identity when a client sends \$1,000 or more, when you pay out \$1,000 or more, and on a currency exchange of \$3,000 or more. Sender and recipient details go with every transfer you send, and records are kept five years.

4 Three reports, three clocks

A suspicious transaction report (STR) as soon as practicable, at any amount. An electronic funds transfer report (EFTR) within five business days for an international transfer of \$10,000 or more. A large cash transaction report (LCTR) within 15 calendar days for \$10,000 or more in cash.

5 Russia, Iran and North Korea: every transaction, any amount

Ministerial directives make every transaction from or to these countries high risk: verify identity, source of funds and purpose, and keep the record.

6 Since 26 March 2026, the program has to work

Compliance officer, approved policies, documented risk assessment, training and a two-year review, now reasonably designed, risk-based and effective. Some failures are now very serious violations.

A transfer you start is yours to report, even when your bank sends it

The transfer report attaches to where an international transfer begins and where it is paid out, not to whoever carries it in between. A transfer inside Canada never needs one.

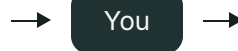
Sending abroad

Your client in Canada sends money overseas

LEG 1, MONEY IN

Funds from your client

LCTR if it is cash of \$10,000 or more. Verify the sender from \$1,000.



LEG 2, MONEY OUT

The transfer leaves Canada

EFTR at \$10,000 or more, within five business days. You started it, so it is yours, even if a bank or partner sends it on.

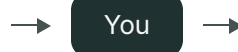
Paying out from abroad

Money sent from overseas reaches a person here

LEG 1, MONEY IN

The transfer arrives from outside Canada

EFTR at \$10,000 or more, when you are the one paying the beneficiary.



LEG 2, MONEY OUT

Paid to the beneficiary

No new report. Cash paid out is not an LCTR. Verify the beneficiary from \$1,000.

Inside Canada

Both ends of the transfer are in Canada

No EFTR in either direction. Cash of \$10,000 or more coming in is still an **LCTR**, and the sender is still verified from \$1,000.

A suspicious transaction report has no threshold and no direction: any leg, any amount, completed or only attempted. Money to or from Russia, Iran or North Korea is high risk on every leg, at any amount.

One finding in five recent penalties

Each was cited for compliance policies that were missing, out of date or not applied.

MINOR

\$40,000

From 26 March 2026
Was \$1,000

SERIOUS

\$4 million

From 26 March 2026
Was \$100,000

VERY SERIOUS

\$20 million

From 26 March 2026
Was \$500,000

Maximum per violation, as set in the Administrative Monetary Penalties Regulations from 26 March 2026. The figures beneath are the previous maximums for a business, from FINTRAC's penalty policy.

Transfer and exchange penalties, set under the old scale

BUSINESS	WHAT WAS MISSED	PENALTY
Commerciale I.C. - Pacific Inc. Montréal · Feb 2026 Appealed to the Federal Court	Transfer reports not filed on time, the Iran directive not followed, no documented risk assessment or two-year review	\$224,235
Juba Express Inc. Toronto · Dec 2025 Appealed to the Federal Court	Incomplete transfer and cash reports, no tailored risk assessment, branches and agent changes missing from its registration	\$67,150
Global Currency Exchange Niagara Falls · Dec 2025	No risk assessment, training program or two-year review, and documents not provided when FINTRAC asked for them	\$70,537.50
Crystal Currency Exchange Inc. Burnaby · May 2025 Appealed to the Federal Court	Suspicious transaction, large cash and transfer reports not filed, and no compliance officer appointed	\$348,067.50
Marouf Management Inc. Toronto · May 2025 Appealed to the Federal Court	The Iran directive not followed, exchange records not kept, registration details wrong and changes not reported	\$249,480.50

This is the work we do every week

Money services businesses, payment service providers and fintechs are ComplyFactor's core practice. We file the reports, run the reviews and sit in the compliance officer seat.

Registration and agents

MSB registration and renewal, 30-day change filings, and the eligibility and record checks on every agent.

Risk assessment

Documented and tailored to your corridors, clients, payout partners and delivery channels.

Policies that match the counter

Written to fit how your branches and apps actually run, kept current, and approved by a senior officer.

Reporting and the 24-hour rule

EFTR, LCTR and STR filing, complete and on time, and the aggregation logic that quietly drops reports.

Ministerial directive controls

Screening that treats Russia, Iran and North Korea as high risk at any amount, with the records to show it.

Two-year effectiveness review

An independent review against the new effective standard, run before FINTRAC runs its own.

Start with a transfer reporting gap check

We sample a month of your international transfers and cash against what was actually filed, and tell you how many reports are missing before FINTRAC counts them for you.

[Book an appointment](#)

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