

Federal government fast-tracks changes to Canada's AML regime

MARCH 14, 2025 3 MIN READ



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On March 7, 2025, the Department of Finance [announced](#) that certain amendments to Canada's anti-money laundering (AML) and anti-terrorist financing (ATF) regime that were published for consultation on November 30, 2024, will come into force on April 1, 2025. The announcement is unexpected, as the changes were expected to come into force six months from that date, on October 1, 2025.

The announcement follows a [directive](#) issued by the Minister of Finance to the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) on March 4, 2025, which directs FINTRAC to take immediate action and use all available tools to support the eradication of cartel activity in Canada, other criminal syndicates and the trafficking of illicit drugs including fentanyl. The announcement notes that the amendments will complement Canada's Border Plan and the recently announced creation of a Canada-U.S. Joint Strike Force to combat organized crime and maintain border integrity.

Amendments

The amendments to regulations made under the *Proceeds of Crime (Money Laundering) and Terrorism Financing Act* (PCMLTFA) will implement certain measures announced in federal budget bills (including the 2024 Budget, discussed in our April 18, 2024, blog entitled "[Budget 2024 proposes new reforms to combat financial crime in Canada](#)").

The following is a summary of the amendments, the substance of which generally aligns with the amendments published for consultation on November 30, 2024, which we discussed in our December 5, 2024, [Update](#):

- **Factoring companies, cheque cashing businesses and financing and leasing companies:** These entities will be subject to the PCMLTFA and, accordingly, will be required to implement a compliance program, keep required records, report suspicious and other types of transactions and comply with certain know-your-client (KYC) and various other requirements.
 - In force: April 1, 2025
- **Information sharing between private institutions:** Reporting entities will be permitted (but not required) to share information with each other to detect and deter money

laundering, terrorist financing and sanctions evasion.

- In force: March 4, 2025

- **Enhancements to CBSA's authorities:** Regulations will come into force under the PCMLTFA relating to reporting and record-keeping requirements for entities that import or export goods, intended to detect and deter trade-based financial crime.

- In force: April 1, 2025

- **Mandatory reporting of beneficial ownership discrepancies:** Reporting entities, which under the PCMLTFA are required to obtain and verify corporate beneficial ownership information when they verify the identity of an entity, will be required to report material discrepancies between their records and a company's registry filings with Corporations Canada that they observe in their regular course of business. The requirement will apply only when a reporting entity determines that there is a high risk of a money laundering or terrorist financing offence.

- In force: October 1, 2025

As the final amendments are not currently anticipated to be published until March 26, 2025, businesses will have little time to prepare to address what are significant regulatory requirements. The accelerated timeframe for implementation is reminiscent of [FINTRAC's April 27, 2022, announcement](#) that it was, effective immediately, retracting an interpretive carveout for certain payment service providers and merchant settlement providers, which then had to quickly reconsider whether they were now subject to the PCMLTFA and, if so, register with FINTRAC and implement an AML compliance program.

Likewise, as a result of the Department of Finance's March 7, 2025, announcement, factoring companies, cheque cashing businesses and financing and leasing companies will be required to swiftly implement a full AML compliance program and comply with a wide swath of obligations under the PCMLTFA and associated regulations.

We're here to help

Please contact a member of our Financial Services Regulatory team if you have any questions about the recent AML changes or would like assistance implementing a compliance program tailored to the legislative requirements.