



## **These scenarios have been developed to help clarify who is responsible for what under the new compliance requirements.**

CREA recommends that REALTORS® advise clients of the FINTRAC requirements, and complete required FINTRAC reports regarding verification of identification, BEFORE any real estate documents are signed. This is to avoid members being involved in a buyer agency or listing agreement, only to discover the client later refuses to provide the identification information now required by law. A REALTOR® representing a client who refuses to provide identification information is in non-compliance of the law.

### **Scenario One**

Two individuals are involved – a buyer and a seller. The agent for each must complete the Individual Identification Report for their own client. The agent of the buyer must complete the Receipt of Funds record, even though the deposit may end up in the listing broker's account. The two agents do not share or exchange reports. Each is responsible for filing suspicious attempted transaction or suspicious transaction report(s), if required.

### **Scenario Two**

Two individuals are involved – a buyer and a seller, but one of the individuals is unrepresented. The agent representing a client must complete the Individual Identification Information report for their own client, and take all reasonable measures to also record identification information of the unrepresented party. The agent must also decide whether to send a suspicious attempted transaction report to FINTRAC because the unrepresented individual refused to provide identification. The agent of the buyer must complete the Receipt of Funds record, even though the deposit ends up in the listing broker's account. If there is no buyer agent, the listing broker would be responsible for the Receipt of Funds record.

### **Scenario Three**

Two individuals are involved – a buyer and a seller, but the same agent is representing both the buyer and the seller. In this case who does what is very clear – it's that agent who completes the Individual Identification Information Record for the buyer and the seller, and must complete the Receipt of Funds record.

### **Scenario Four**

There are two individuals involved, and one agent representing the buyer and another the seller. However, the buyer is in another country and will never meet their agent face-to-face. It is the responsibility of the broker representing the buyer to have a contract in place with an agent or mandatary who can then meet the buyer, and verify the identification information. Once that information has been verified, the rest of Scenario One would apply.