

Mark Andeson, Compliance Consultant  
647.300.1711 or [mark@compliance-assurance.ca](mailto:mark@compliance-assurance.ca)



# FINTRAC Case Study

## Precious Metals Sector

### January 2026

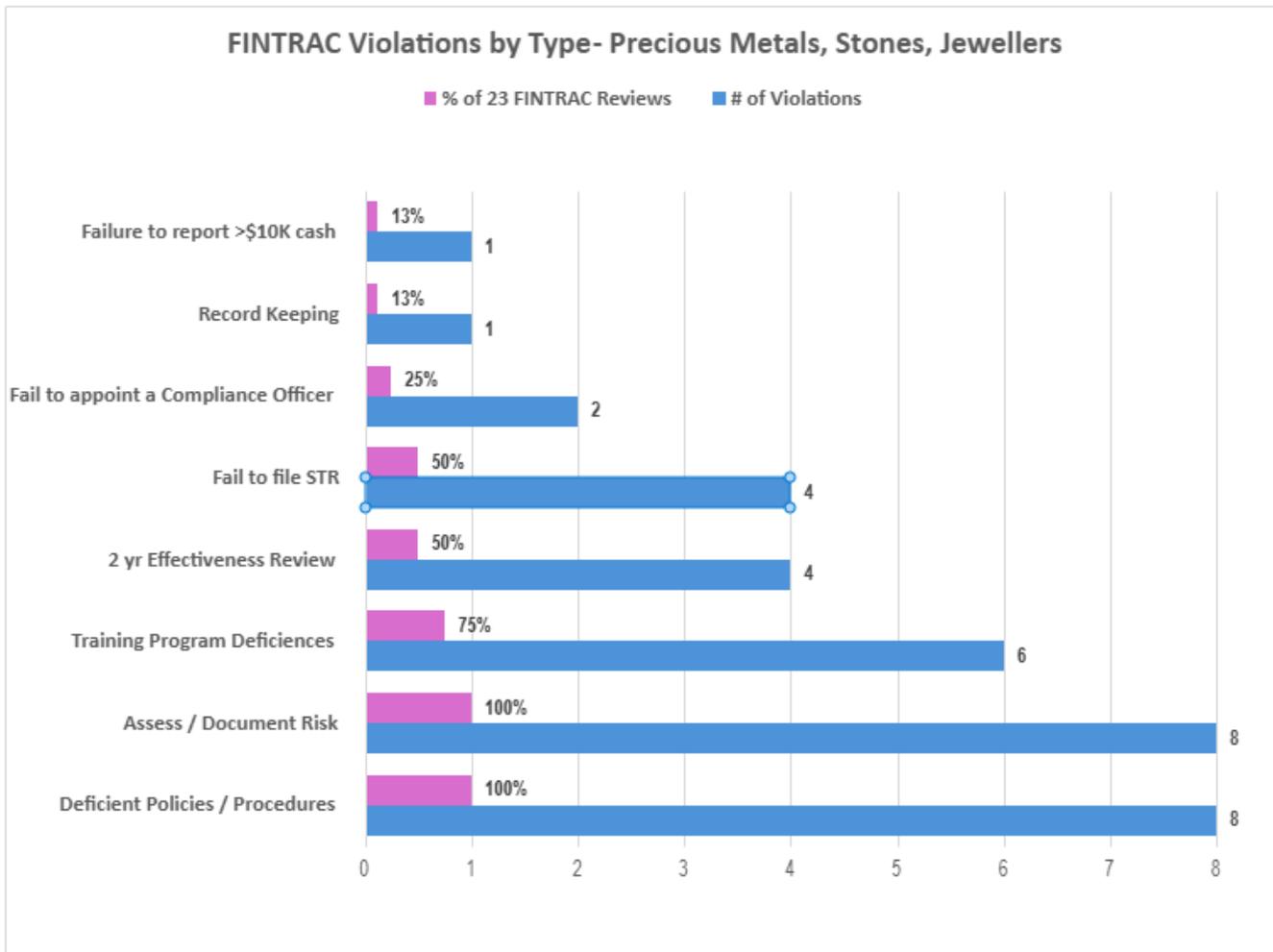
The Financial Transaction and Reports Analysis Centre of Canada (FINTRAC) ensures the compliance of businesses subject to the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (PCMLTFA).

This case study focuses on Notices of Violation and Administrative Penalties issued by FINTRAC to businesses classified as Dealers in Precious Metals and Stones; this category also includes jewelers and the jewelry trade.

FINTRAC has supervised businesses subject to the PCMLTFA since 2008 and has published the names of businesses assessed administrative penalties since 2020. Over the last 5 years, FINTRAC has posted @ [Public notice of administrative monetary penalties](#) the names and penalty amounts for 76 businesses, 8 being Dealers in Precious Metals and Stones. Collectively, the eight dealers were issued with 34 notices of violation and a combined administrative penalty of \$1,118,112, or an average penalty of \$139,764 per dealer. Although FINTRAC publishes these specifics, there are no additional details available regarding total reviews and outcomes in the Dealer sector. This means the delta between reviews where no further actions were taken vs. reviews resulting in notices of violation is not known.

It should also be noted that FINTRAC has up to two years to issue a notice of violation following the completion of a review.

The chart below illustrates violations by type, volume, and volume as a percentage of the eight brokerages reviewed. For example, All eight or 100% of dealers had deficient policies/procedures and all eight had failed to fully assess and documents AML risks to their businesses.



Data Source: FINTRAC Public notice of administrative monetary penalties

FINTRAC evaluates over 200 possible violations under the PCMLTFA, with deficiencies grouped into approximately 20 different violation types. As noted above, the three most common types of violation concern Policies & Procedures, Assessment of Risk, and AML Training. Although the specifics vary, each violation type shares the same wording as described below:

- Policies and Procedures:** *“Failure to develop and apply written compliance policies and procedures that are kept up to date and, in the case of an entity, are approved by a senior officer”*, meaning P&Ps are either incomplete, missing or out of date; or evidence

- shows P&Ps are not followed or effective; or there is no evidence that all P&Ps have been reviewed and approved by a senior or compliance officer.
- **Assessment of Risk:** *“Failure of a person or entity to assess and document the risk referred to in subsection 9.6(2) of the Act”*, meaning the broker has failed in its assessment of risk to **fully** take into consideration the prescribed factors of its products and delivery channels, its geographic location and its clients and business relationships.
- **Training:** *“Failure to develop and maintain a written ongoing compliance training program”*, meaning the ongoing compliance training program was not fully documented or was missing key training components; or there is no evidence confirming that training was effectively delivered to agents and employees.

### How do Dealers compare to those in other FINTRAC-regulated sectors?

Sector	Businesses Reviewed	Average Violations per Business	Average Penalty (\$ Can)
Real Estate	23	5	\$111,935
MSBs & Currency exchanges	20	4	\$136,557
Banks & Credit Unions	12	3	\$1,964,579
Gaming & Casinos	4	3	\$649,000
Investments & Wealth Management	5	3	\$170,478
<b>Precious Metals and Stones (&amp; Jewelers)</b>	<b>8</b>	<b>4</b>	<b>\$139,764</b>
Crypto Exchanges	3	4	\$67,504,730

Data Source: FINTRAC Public notice of administrative monetary penalties; analysis by compliance-assurance.ca

The table above shows the number of participants in each sector, average violations and average fine for each business in the sector. As the chart shows, the number of violations has little to do with the penalty size.

### How FINTRAC calculates Administrative Monetary Penalties?

Following the completion of an assessment activity, and depending on the extent of the non-compliance identified, FINTRAC may decide to:

- Take no further action

- Conduct follow-up assessment activities
- Issue an administrative monetary penalty and publish the Notice of Violation on FINTRAC’s website; and
- Disclose relevant information to law enforcement for investigation and prosecution of non-compliance offences under the Act and associated Regulations.

Administrative monetary penalties are classified three ways as the table below illustrates.

Degree of importance	Penalty range
Minor violation	\$1 to \$1,000 per violation
Serious violation	\$1 to \$100,000 per violation
Very serious violation	\$1 to \$100,000 per violation for an individual \$1 to \$500,000 per violation for an entity

A review of the violations issued to Dealers indicates almost all were classified as Serious but none as Very Serious. By contrast, the largest single administrative penalty levied in FINTRAC history was to Cryptomus (a crypto exchange) for \$176M for two violations; for failing to file multiple STRs and failing to comply with a Ministerial Directive on multiple occasions. Both violations were considered Very Serious.

## What’s in store for 2026?

### Supervisory Activities

FINTRAC’s last annual report (April 2024-March 2025) noted it had prioritized Money Service Businesses (MSBs), Dealers in Precious Metals and Stones (including Jewelers), and Credit Unions for review during the period. There was no sector specific clarity provided for 2025-2026, other than to state that FINTRAC has...

“...shifted to enhanced, risk-based supervision...allowing the Centre to screen businesses based on their risk profiles, vulnerability to money laundering...and potential non-compliance; assess businesses more quickly; and provide earlier corrective actions aligned with the severity of the deficiencies.”

## **Pending Legislation – Amendments to PCMLTFA**

As part of Bill C-12 ([Strengthening Canada's Immigration System and Borders Act](#)), the PCMLTFA will be amended to:

- Increase administrative penalties by a factor of 40, meaning the maximum administrative penalty per occurrence for a business will increase from \$500K to \$20M
- Require all REs currently exempt from FINTRAC registration to register with FINTRAC, this will affect approximately 30,000 businesses not currently required to register.

Bill C-12 was passed by the House of Commons and received its first reading in the Senate of Canada in December 2025.

## **What can I do to ensure my business is FINTRAC compliant?**

If you are a Senior Officer or Compliance Officer of an entity under FINTRAC supervision you should consider the following if you have compliance concerns:

1. Review the findings of your last 2-year effectiveness review and the follow-up action plan; were all deficiencies remediated, do you have evidence to show remediation is complete? If not, document your plan to complete all outstanding remediation activities, including reasonable timelines for completion, and ensure management sign-off on the plan.
2. If you have never conducted a 2-year review, familiarize yourself with the requirements available on the FINTRAC website, appoint an internal or external auditor, (internal auditors should not who works directly in the line of business) and start your review.

For more information on FINTRAC compliance, contact Mark Anderson: 647.300.1711 or [mark@compliance-assurance.ca](mailto:mark@compliance-assurance.ca)