



**Anti-Money Laundering and Terrorist Financing  
Working Group**

**Guidance on Using  
an Agent**

**Client Identification and Verification**

**July 6, 2020**

## Use of Agents

The Client Identification and Verification rule requires legal professionals to verify an individual's identity when they are retained to provide legal services in respect of a financial transaction.<sup>1</sup>

You **may use an agent** to verify the identity of an individual at any time.

### When must an agent be used?

If the individual whose identity is to be verified is outside of Canada and you cannot meet with them in person, you must use an agent for the verification.

You also must use an agent when relying on the government-issued document method for verification if the client or third party is located elsewhere in Canada and you, or a partner, associate or employee at your firm, cannot meet with them in person.

### Agreement or arrangement in writing

When you are using an agent to verify identity you must have a written agreement with the agent. The agreement does not need to be in any particular form; it may be a letter or email, for example. However, the agreement should set out in sufficient detail the purpose of the arrangement and what the agent is expected to do.

### Who may act as an agent?

There are no set qualifications or credentials for who may act as an agent to verify identity. You must use your professional judgment to choose a suitable agent.

The responsibility for verifying an individual's identity is yours, even when using an agent. You should always choose the agent; don't rely on your client or the individual whose identity is being verified to find the agent.

You should ensure that the agent is reputable, reliable, accountable, and, where feasible, familiar with anti-money laundering due diligence requirements. For instance, in the case of a potential agent who is a member of a regulated profession, you should check the agent's status and contact information with the regulator.<sup>2</sup>

Caution should be used when seeking an agent in a country other than Canada, particularly where the individual or the subject matter of the retainer involves a high-risk jurisdiction<sup>3</sup>. In some cases, embassies or consulates may offer verification of identity services.

If you do not know a suitable candidate to act as agent, you should check with the regulator for the legal profession in the jurisdiction where the individual is located.

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<sup>1</sup> This means "to engage in or give instructions in respect of the receipt, payment or transfer of funds".of business entities, arranging financing for the purchase or sale of business entities or assets, and purchasing or selling real estate.

<sup>2</sup> As a general guidance, the following professionals may be suitable to act as agents within Canada: lawyers; Quebec notaries; Ontario paralegals; British Columbia notaries; notaries public; peace officers; justices of the peace; professional accountants; banks and other financial and life insurance companies, brokers and agents; securities dealers; and real estate brokers and real estate agents.

<sup>3</sup> Resources to help identify a high-risk jurisdiction include current sanctions imposed by the Government of Canada and information on countries from the Financial Action Task Force (FATF).

## Information from the agent

You must obtain from the agent and keep a record of all information they use to verify the individual's identity. The information from the agent should include:

- The agent's full name, occupation and business address;
- The method(s) used to verify the client's identity;
- Copies of the information and documents obtained by the agent to verify the individual's identity; and
- The date on which the agent verified the individual's identity.

You should also record the date the agent delivered the information to you.

## Due diligence

You must be satisfied that the verification information obtained from the agent is valid (authentic and unaltered) and current (not expired) and that the agent verified the individual's identity through a prescribed method (government-issued documentation, credit file, or dual process method) in accordance with the rules. The verification information must match the basic identification information provided by the client.

## Previous verification

You may rely on an agent's previous verification of an individual if the agent was, at that time, acting in their own capacity (e.g. as a legal advisor verifying identity) or as an agent under an agreement or arrangement in writing with another legal advisor required to verify identity under the Client Identification and Verification rule. You must still have an agreement or arrangement in writing in these circumstances and the previous verification must meet the requirements of the Client Identification and Verification rule.