

ATTACHMENT FOR CANADA

(Revised August 2025)

1. QI is subject to the following laws and regulations of Canada governing the requirements of QI to obtain documentation confirming the identity of QI's account holders:

- i. *The Proceeds of Crime (Money Laundering) and Terrorist Financing Act*;
- ii. *The Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations*;
- iii. For its members, the Canadian Investment Regulatory Organization (CIRO) (formerly Investment Industry Regulatory Organization of Canada (IIROC) and (formerly the Investment Dealers Association of Canada) Dealer Member Rules, Rule 1300 and Rule 2500;
- iv. The *Income Tax Act* (Canada).

2. QI represents that the laws identified above are enforced by the following enforcement bodies and QI shall provide the IRS with an English translation of any reports or other documentation issued by these enforcement bodies that are relevant to QI's functions as a qualified intermediary:

- i. Financial Transactions and Reports Analysis Centre (FINTRAC) of Canada;
- ii. For its members, CIRO; and
- iii. The Canadian Minister of National Revenue.

3. QI represents that the following penalties apply to failure to obtain, maintain, and evaluate documentation obtained under the laws and regulations identified in item 1 above:

- i. Items 1(i) and (ii): an Administrative Monetary Penalty not exceeding C\$1,000 in the case of a minor violation; a penalty not exceeding C\$100,000 in the case of a serious violation; a penalty not exceeding C\$500,000 in the case of a very serious violation; or
- ii. Item 1(iii): monetary penalties not exceeding C\$1,000,000 for an employee of a dealer and C\$5,000,000 for a dealer per offence, disgorgement, reprimand, restrictions on trading, suspension, termination or expulsion from CIRO and individuals may be banned from the industry; or
- iii. Item 1(iv): monetary penalties for each form which is missing or does not include a valid Social Insurance Number, or for making false statements.

4. QI shall use the following specific documentary evidence (and also any specific documentation added by an amendment to this item 4 as agreed to by the IRS) to comply with section 5 of this Agreement, provided that the following specific documentary evidence satisfies the requirements of the laws and regulations identified in item 1 above. In the case of a foreign person, QI may, instead, use a Form W-8 in accordance with section 5 of this Agreement. Either QI, or a banking or securities association in Canada, may request an amendment of this item 4.

i. For natural persons:

- a) Passport;

- b) National Identity Card;
- c) Driving license;
- d) Provincial health insurance card;
- e) Birth certificate provided by an individual under the age of 21;
- f) Government-issued Age of Majority Card;
- g) Canadian citizenship card;
- h) Record of Landing (IMM1000) or Confirmation of Permanent Residence (IMM 5292) issued prior to 1/1/2004;
- i) Permanent Residence Card;
- j) Canadian Forces Identification Card issued by the Canadian Department of National Defence;
- k) A government-issued Certificate of Indian Status;
- l) Alberta Photo Identification Card;
- m) B.C. Identification Card;
- n) B.C. Driver's License and Services Card;
- o) B.C. Services Card (Photo Card);
- p) Government of Newfoundland and Labrador Photo Identification Card;
- q) Nova Scotia Photo Identification Card;
- r) Prince Edward Island Voluntary ID;
- s) Saskatchewan Mandatory Photo ID;
- t) Ontario Photo Card;
- u) Manitoba Identification Card;
- v) NEXUS Membership Card;
- w) An otherwise acceptable Form W-8 (W-8BEN/W- 8ECI/W-8EXP) or a copy of same, with the penalties of perjury statement modified by replacing the words "foreign person" with the words "not a U.S. citizen or U.S. resident alien";
- x) For accounts opened prior to January 1, 2001, a Social Insurance Number that does not indicate non-residence (i.e., a number that does not begin with the digit "9"), that has been established by the QI as valid, and that must be reported to the Canada Revenue Agency in one or more periodic filings, and the QI has no other information that suggests the person is a non-resident of Canada.
- y) FINTRAC-approved credit file method of identifying natural persons.

ii. For Legal Persons:

- a) Canadian Acceptable Institutions, Acceptable Counterparties and Regulated Entities, that are identified as Canadian entities on IIROC's list of Domestic and Foreign Acceptable Institutions and Acceptable Counterparties;
- b) For registered charities and other accounts individually registered with the Canada Revenue Agency, a notation of its unique tax registration number, provided that such tax registration number is valid and is regularly confirmed with the Canada Revenue Agency;
- c) Copy of the certificate of incorporation, articles of association, trust agreement/deed/indenture or other constating documents;
- d) Copy of extracts from public registers; or
- e) An otherwise acceptable substitute Form W-8 (W- 8BEN/W-8ECI/W-8EXP) or a copy of same, with the penalties of perjury statement modified by replacing the words "foreign person" with the words "not a U.S. person".

5. QI shall follow the procedures set forth below (and also any procedures added by an amendment to this item 5 as agreed to by the IRS) to confirm the identity of account holders that do not open accounts in person or who provide new documentation for existing accounts other than in person, or for account holders whose identity is confirmed using the credit file method. In the case of a foreign person, QI may, instead, use a Form W-8 in accordance with section 5 of this Agreement. Either QI, or a banking or securities association in Canada, may request an amendment to this item 5.

- i. QI shall not open an account by any means other than by establishing in person the identity of a customer through the account holder's own identity documents, except as permitted in (ii), (iii), (iv), (v), and (vi) below.
- ii. QI may obtain by mail or otherwise a copy that is an exact reproduction of the specific documentary evidence listed in item 4 above from another person that is subject to know-your-customer rules that have been approved by the IRS for purposes of qualified intermediary agreements, provided that the laws and regulations listed in item 1 permit QI to rely on the other person to identify the account holder.
- iii. QI may obtain a photocopy of the specific documentary evidence listed in item 4 by mail or otherwise remotely from the account holder or a person acting on behalf of the account holder, provided that the photocopy can be associated with a valid Social Insurance Number of the account holder on file that does not begin with "9" or the photocopy has been certified as a true and correct copy by a person whose authority to make such certification appears on the photocopy, and provided that the laws and regulations listed in Item 1 permit QI to rely on the certified photocopy to identify the account holder.
- iv. a) QI may obtain by mail or otherwise a copy that is an exact reproduction of the specific documentary evidence listed in Item 4 from an affiliate of QI or a correspondent bank of QI, provided that the affiliate or correspondent bank has established in person the identity of the account holder and the laws and regulations listed in Item 1 permit QI to rely on documentation provided by that affiliate or correspondent bank to identify the account holder.

b) For accounts opened prior to January 1, 2001, if QI was not required under its know-your-customer rules to maintain originals or copies of documentation, QI may rely on its account information if it has complied with all other aspects of its know-your-customer rules regarding establishment of an account holder's identity, it has a record that the documentation required under the know-your-customer rules was actually examined by an employee of QI, an employee of an affiliate of QI, a correspondent bank of QI, in accordance with the know-your-customer rules, and it has no information in its possession that would require QI to treat the documentation as invalid under the rules of section 5.10(B) of this Agreement.

- v. Where pursuant to a contractual relationship, a third party is acting as agent for QI, QI may rely on documentation (as defined in section 2.13 of this Agreement) obtained and retained by the third party in accordance with section 5 of this Agreement. The acts of such a third party agent of a QI will be imputed to the QI. The QI shall remain fully liable for the acts of such agent and QI shall not be permitted to assert any of the defenses that may otherwise be available, including under common law principles of agency, in order to avoid tax liability under the Internal Revenue Code.
- vi. QI shall comply with the following due diligence obligations pursuant to FINTRAC Guidance on the Know Your Client Requirements under The Proceeds of Crime (Money Laundering) and Terrorist Financing Act:

"QI may determine the authenticity of a government-issued photo identification document by using a technology capable of assessing the document's authenticity if an individual is **not physically present**. For example:

- an individual could be asked to scan their government-issued photo identification document using the camera on their mobile phone or electronic device; and
- a technology would then be used by the QI, to compare the features of the government-issued photo identification document against known characteristics (for example, size, texture, character spacing, raised lettering, format, design), security features (for example, holograms, barcodes, magnetic strips, watermarks, embedded electronic chips) or markers (for example, logos, symbols) to be satisfied that it is an authentic document as issued by the competent authority (federal, provincial, territorial government).

When an individual is **not physically present**, the QI must still determine if the individual presenting the government-issued photo identification document matches the name and photo of the person in the authenticated document provided. For example:

- An individual could participate in a live video chat session and the QI, would then be able to compare the name and the features of the live video image to the name and photo on the authentic government-issued photo identification document; or
- An individual could be asked to take a "selfie" photo using the camera on their mobile phone or electronic device, and an application used by the QI, would apply facial recognition technology to compare the features of that "selfie" to the photo on the authentic government-issued photo identification document. A process would have to exist to also compare the name on the government-issued photo identification document with the name provided to the QI, by the individual."

QI may verify the identity of a person by referring to information that is in the person's credit file. To do so, the credit file must:

- contain information that is valid and current;

- be from a Canadian credit bureau (credit files from foreign credit bureaus are not acceptable);
- have been in existence for at least three years;
- contain information that is derived from more than one source (i.e. more than one tradeline); and
- match the name, address and date of birth of the person being identified.

A credit file provides a rating on a person's ability to repay loans; however, it is possible to request a credit file to verify a person's identifying information that does not include a credit assessment. A QI does not need a credit assessment to verify the identity of a person. Equifax Canada and TransUnion Canada are Canadian credit bureaus that provide credit file information for identification purposes.

To use the credit file method, the QI must conduct the search at the time the QI is verifying the person's identity. A person cannot provide a copy of their credit file, nor can a previously obtained credit file be used.

It is acceptable to use an automated system to match the person's information with the information in the person's credit file. A QI may also refer to a third party vendor to provide a QI with valid and current information from the person's credit file. A third party vendor is a business that is authorized by a Canadian credit bureau to provide access to Canadian credit information.

If any of the information provided by the person (name, address or date of birth) does not match the information in the credit file, a financial institution cannot use that credit file to verify the identity of the person. The QI will need to use another credit file from a different provider (credit bureau or third-party vendor) or use a different method (for example, the government-issued photo identification method) to verify the person's identity.

On occasion, information found in the credit file may contain a variation on the name or a discrepancy in the address that was provided to you by the person. In these instances, you must determine whether the information in the credit file matches the information provided by the person. For example:

- If there is a slight typo in the address or name, you may determine that the information still matches what the person provided.
- If there is a discrepancy in their date of birth, it is more likely that you will determine that the information does not match.
 - In this case, if this is your determination, you cannot rely on the information in the credit file for identification purposes. You will need to use another credit file from a different provider (credit bureau or third party vendor) or use a different method (for example, the government-issued photo identification method or the dual-process method) to verify the person's identity.
- If there are multiple addresses in the credit file, it is possible that the address the person provided to you is not the primary address in the credit file but it does appear in the credit file as a secondary address. If this is the case, you can still meet your requirements for ensuring that the information matches what the person provided.

If a QI uses the credit file method, the QI must record:

- the person's name;
- the date a QI consulted or searched the credit file;

- the name of the Canadian credit bureau or third-party vendor as the source holding the credit file; and
- the person's credit file number.

The QI's compliance program's policies and procedures must describe the processes the QI will follow to verify a person's identity using the credit file method and how the QI will ensure that the information is valid and current. It should also include the steps the QI will take if the information is not valid and current (for example, search a different credit file, use another method, stop the transaction, etc.).