

Community of Practice Q&A July 13, 2022

Why can't the real estate licensees have the same client-client privilege that lawyers do?

Solicitor-client privilege between lawyers and their clients is constitutionally protected and would require a constitutional amendment to apply to real estate licensees. From an anti-money laundering perspective, this is not something to aspire to, given that the report says that lawyers are at high risk for money laundering as a result of an inadequate reporting regime.

Did the Cullen Commission take into account that the BC Financial Services Authority requires licensees to take an anti-money laundering course?

The Cullen Commission report mentions BCFSAs anti-money laundering training modules, although also notes that "there remain significant concerns about the low number of suspicious transaction reports submitted by reporting entities in that sector. The course came out in 2020, so the impacts may not yet be measurable. The final report also mentions BCREA's Mastering Compliance: Anti-Money Laundering Training for Brokers" course for managing brokers.

I am facing difficulties understanding what FINTRAC wants.

Many REALTORS® experience issues understanding how to report to FINTRAC. The Cullen Commission report recognizes these challenges as well, and calls for "clear, simple guidance from FINTRAC about when transactions must be reported."

If another provincial body is created to combat money laundering, how would that improve the situation?

The Cullen Commission recommends that the BC Government establish an independent office of the legislature focused on anti-money laundering. This recommendation exists because the Cullen Commission was provincial in scope so could not make recommendations directly for the federal government. They found that "the federal anti-money laundering regime is not effective," so recommended that the province take up a stronger anti-money laundering role instead. BCREA agrees that the federal regime is ineffective, but we are concerned that multiple anti-money laundering agencies from different governments with similar mandates could result in needless redundant administrative burden requirements from managing brokers and Realtors.

Additional anti-money laundering resources

- [The Commission of Inquiry into Money Laundering in BC: Final Report](#)
- [Mastering Compliance 2.0: Anti-Money Laundering Training for Brokers – BCREA](#)
- [Dirty Money – Part 2: Turning the Tide – An Independent Review of Money Laundering in BC Real Estate, Luxury Vehicle Sales & Horse Racing](#)
- [Combatting Money Laundering in BC Real Estate](#)