

Canadian MSB, PSP, Crypto and Payment Laws and Regulators

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Is this too long for you, try this short version [MSB Law](#).

[Here is a quick guide and FAQ on becoming an MSB in Canada.](#)

I. [FINTRAC](#) The Financial Transactions and Reports Analysis Centre of Canada (Federal AML Regulator)

Fintrac regulates the following:

- Foreign exchanges
- Money transmitters
- Issuers or redeemers of money orders or similar negotiable instruments
- Dealers in virtual currency (i.e. buy, sell, exchange, custody)
- Crowdfunding platform services [👁👁]

Search all FINTRAC-registered entities [here](#).

Fintrac administers the following laws and regulations:

Law (covers FINTRAC)

Proceeds of Crime (Money Laundering) and Terrorist Financing Act (S.C. 2000, c. 17)
<https://lois-laws.justice.gc.ca/eng/acts/P-24.501/>

Regulations

Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations
(SOR/2002-184)
<https://laws-lois.justice.gc.ca/eng/regulations/SOR-2002-184/FullText.html>

Atlas [Notes on 2022 Amendments](#) and [April 5, 2022 Amendments](#)

Regulations Amending Certain Regulations Made Under the Proceeds of Crime (Money Laundering) and Terrorist Financing Act, 2019 — SOR/2019-240

Proceeds of Crime (Money Laundering) and Terrorist Financing Administrative Monetary Penalties Regulations (SOR/2007-292)

<https://lois-laws.justice.gc.ca/eng/regulations/SOR-2007-292/index.html>

Proceeds of Crime (Money Laundering) and Terrorist Financing Registration Regulations (SOR/2007-121)

<https://lois-laws.justice.gc.ca/eng/regulations/SOR-2007-121/index.html>

Proceeds of Crime (Money Laundering) and Terrorist Financing Suspicious Transaction Reporting Regulations (SOR/2001-317)

<https://lois-laws.justice.gc.ca/eng/regulations/SOR-2001-317/index.html>

Notes on 2022 Amendments to Fintrac regulations

Note that the 'agent-of-the-payee' exemption does not apply in Canada. It used to apply, but was abolished in 2022.

Registration

Start the Fintrac registration process here:

<https://www30.fintrac-canafe.gc.ca/cf-cc/public/contact-fintrac/pre-registration-information>

List of Fintrac-registered MSBs.

Glossary from Fintrac

<https://fintrac-canafe.canada.ca/guidance-directives/glossary-glossaire/1-eng>

II. Bank of Canada (Regulates all Payment Services Providers meaning all MSBs and much more)

The Bank of Canada is the central bank of Canada. A new law, the RPAA (see link below) provides for the [Bank of Canada](#) to regulate domestic and foreign payment services providers, meaning performing "payment functions".

[RPAA Explainer from Adam Atlas.](#)

[The Bank of Canada provides this self-assessment tool here to see if RPAA applies to you.](#)

Law (Bank of Canada)

Retail Payment Activities Act (S.C. 2021, c. 23, s. 177) (RPAA)

<https://laws-lois.justice.gc.ca/eng/acts/R-7.36/page-1.html>

Regulations

Retail Payment Activities Regulations

<https://www.gazette.gc.ca/rp-pr/p1/2023/2023-02-11/html/reg3-eng.html>

[RPAA Guidelines](#)

[RPAA Case scenarios](#): Examples of models that must or don't need to register.

Registration

Registration over here:

<https://www.bankofcanada.ca/core-functions/retail-payments-supervision/supervisory-framework-registration/>

[List of registered PSPs under the RPAA.](#)

III. [Revenu Quebec](#) (one of two Provincial MSB regulators)

Quebec is the only province or territory in Canada that mandates the licensing of money transmitters and other forms of MSBs. With respect to MSBs serving Quebec, Revenu Quebec administers the following laws and regulations:

Law (Revenu Quebec)

Money-Services Business Act (Quebec), c. E-12.000001

<https://www.legisquebec.gouv.qc.ca/en/document/cs/E-12.000001>

Regulations

Regulation under the Money-Services Businesses Act

Money-Services Businesses Act (r.1)

<https://www.legisquebec.gouv.qc.ca/en/document/cr/E-12.000001,%20r.%201%20/>

Regulation respecting fees and tariffs payable under the Money-Services Businesses Act (r.2)

<https://www.legisquebec.gouv.qc.ca/en/document/cr/E-12.000001,%20r.%202%20/>

[Comparison of QC, NY and CA MSB law.](#)

[List of Quebec MSBs](#)

IV. **BC Financial Services Authority** (one of two provincial MSB regulators)

On May 11, 2023, British Columbia enacted the [Money Services Businesses Act \(BC MSB Act\)](#) that will require MSBs serving persons in B.C. to register with the BC Financial Services Authority. Regulations have not yet been published for this new provincial MSB law.

Law (BC FSA)

Money Services Businesses Act (BC MSB Act)

<https://www.leg.bc.ca/parliamentary-business/legislation-debates-proceedings/42nd-parliament/4th-session/bills/first-reading/gov19-1>

Regulations

[None yet.]

V. **OSFI** (Federal banking regulator, does not directly regulate MSBs)

Typical fintechs and crypto businesses do not deal with OSFI, only banks do.

The Office of the Superintendent of Financial Institutions (OSFI) regulates banks in Canada and imposes on them a number of [guidelines](#), notably guidelines related to the security standards of technology suppliers.

VI. **Payments Canada** (Inter-bank payment network, does not regulate MSBs)

Most fintechs and crypto businesses do not deal with Payments Canada because it limits the types of entities that can be members to mostly banks and payment networks.

This quasi-independent organisation administers Canada's payment network serving banks. Traditionally Payments Canada has admitted only financial institutions as members, but soon technology providers will be admitted as members.

VII. **Provincial Securities Regulators (regulating crypto custody and trading, this is one of ten provincial securities regulators)**

We don't go into much detail here as dealing with provincial securities regulators is reserved for crypto custodians, crypto exchanges and tradfi securities issuers, brokers and exchanges. As a teaser, however,

The leading Canadian securities regulator is the [Ontario Securities Commission \(OSC\)](#).

The Quebec securities regulators is the [Autorité des marchés financiers](#) (AMF)

[Key Canadian securities regulator advisories on crypto](#). Long story short, custody of crypto is tantamount to dealing in securities and is highly regulated.

More tools like this one:

 [Notes on becoming a Canadian MSB](#)

 [Canadian **Crypto** Regulation](#)

 [Canadian **prepaid account** law notes](#)

 [U.S. Fintech.law library](#)

 [Notes on becoming a US MSB over here.](#)

by

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If you would like to become an MSB in Canada, please contact [Adam Atlas Attorneys at Law](#) for advice.

This FAQ is not an exhaustive list of all requirements and should not be construed as legal advice.