



Notice to the Profession: Title Insurers are Reporting Entities for the Purposes of Anti-Money Laundering as of October 1, 2025

September 4, 2025

On October 1, 2025, [Regulations Amending Certain Regulations](#) made under the [Proceeds of Crime \(money laundering\) and Terrorist Financing Act](#) (PCMLTFA) come into force introducing regulatory requirements for Title Insurers, including reporting to the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC). As reporting entities under the PCMLTFA, Title Insurers will be required to:

- develop an Anti-Money Laundering compliance program;
- meet identity verification and record keeping requirements;
- submit required reporting to FINTRAC, including suspicious transaction reports and terrorist property reports; and
- follow ministerial directives.

Regarding client identity, title insurers will be required to record:

- the name, address and date of birth of the purchaser,
- the legal description and address of the property,
- the closing date,
- the purchase price,
- the mortgage amount and name of lender,
- the name of the seller [if known], and
- the title information obtained from the land registry

In order to meet their regulatory requirements, title insurers may rely on an agent, including a legal professional, to verify client identity.

Obligations of legal professionals

Title insurers provide specialized insurance policies that insure residential or commercial property owners and/or their lenders against losses related to the property's title or ownership. Although title insurance is not mandatory, many lenders require its purchase as part of a mortgage agreement and therefore title insurers are involved in most residential real estate transactions in Canada.

Under the current practice model, much of the information collected about a purchaser for the purpose of obtaining a title insurance policy is provided by the purchaser's legal professional.

Legal professionals must ensure that they comply with their professional obligations if they are considering acting as an agent to a title insurer for the purpose of the title insurer obtaining the information that they will be required to report to FINTRAC.

Obtaining client consent

A legal professional must have their client's consent prior to disclosing any confidential information to a title insurer or agreeing to be the title insurer's agent. Prior to obtaining consent, the legal professional must fully inform the client of all information relevant to the client's decision including:

- i. the specific information and verification records that may be disclosed by the legal professional to the title insurer;
- ii. that the information disclosed by the legal professional will be used by the title insurer to meet their requirements as a reporting entity under the PCMLTFA;
- iii. as a reporting entity, the title insurer is required to submit reports to FINTRAC, which include suspicious transactions reports and information disclosed about the client by the legal professional could be reported to FINTRAC by the title insurer as a part of these reports;
- iv. FINTRAC discloses information received from reporting entities to law enforcement as it considers appropriate;
- v. the fee that will be received by the legal professional in acting as the agent for the title insurer.

The legal professional must consider whether confidentiality or solicitor-client privilege attaches or may attach to records and information prior to disclosure to a title insurer.

Acting as an agent

Prior to entering into an agency agreement with title insurers, legal professionals must consider their ethical and professional duties towards their client. If a legal professional decides to accept to act as an agent, they should **at minimum**:

- consider whether any of the information being provided to the title insurer is subject to confidentiality or solicitor-client privilege and seek the client's consent and waiver of privilege if required. Legal professionals should already be doing this when applying for title insurance on behalf of their clients;
- advise the client there is a risk that confidential or solicitor-client privileged information may be disclosed to the federal government (if they end up in a suspicious transaction report);
- seek the client's consent to disclose confidential information to the title insurer. Legal professionals should already be doing this when applying for title insurance on behalf of their clients.

Legal professionals must document the steps taken in their file and should obtain the client's consent in writing.



Legal professionals should also consider the terms of any agency agreement they enter into. In cases where a legal professional cannot be satisfied that confidential or privileged information will not be shared to a government entity, the legal professional should advise the client of the risks of proceeding or seek the client's consent to request the title insurer find an alternative method to collect the information required to satisfy their PCMLTFA reporting requirements.

In any case, the legal professional should advise clients of the risks associated with an agency relationship with title insurers to ensure that prior to the sharing of any information the client is properly informed and has provided their **full and voluntary** consent. The risk that confidential and privileged information may be shared with the government should be properly and fully communicated to clients.

Law Society Resources

Legal professionals owe duties of confidentiality and loyalty to their clients and are obligated to protect their clients' privilege. Passing client information on to title insurers may require the disclosure of confidential client information and increase the likelihood that information could be reported to government agencies.

Legal professionals who have questions relating to their duties and the implications of title insurers becoming reporting entities under the PCMLTFA should contact their law society.



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