

Canada's Federal Government puts forward a suite of measures to tackle corruption and financial crime

Budget 2023 features measures to strengthen Canada's anti-money laundering regime with proposed legislative reforms and tools, and new institutions.

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OTTAWA: Budget 2023 introduces a number of reforms and elaborates on ongoing initiatives to strengthen Canada's anti-money laundering (AML) regime. These measures are welcomed by a coalition of civil society organizations – Publish What You Pay Canada, Transparency International Canada, and Canadians For Tax Fairness.

“Minister Freeland deserves applause for clarifying the timeline and rollout for Canada's publicly accessible beneficial ownership registry along with announcing a suite of measures which are needed to help Canada get its house in order,” says Sasha Caldera, Beneficial Ownership Campaign Manager at Publish What You Pay Canada.

Budget 2023 contains a number of positive proposals such as:

- Improvements in sharing financial intelligence information between the RCMP, CRA, and FINTRAC
- Whistleblowing protections for employees who report information to FINTRAC
- Criminalizing the operation of unregistered money service businesses (MSBs)
- Measures to expand the scope of OSFI and to improve information sharing between OSFI, FINTRAC, and the Minister of Finance.

“There was a lot of aggressive language on anti-money laundering in Budget 2023,” said James Cohen, Executive Director of Transparency International Canada. “We're thankfully seeing the tough talk backed up with increasingly bold proposals that now need to be implemented and financed. Canada's finally getting on the right track it seems.”

In addition to legislative and regulatory proposals, Budget 2023 also highlighted the upcoming mandated Parliamentary review of the Proceeds of Crime, Money Laundering, and Terrorist Financing Act. It also provided more details on the government's proposed Canada Financial Crimes Agency, including the government's intention to deliver a proposal of the organization in the fall.

“Tax dodging and money laundering cost the public billions every year,” said Dr. DT Cochrane, economist with Canadians for Tax Fairness. “A publicly accessible registry will significantly improve tax compliance and enforcement for all levels of government.”

Canada's announcement for a publicly accessible registry comes at a time when Canada is facing significant public pressure from national security risks. From widespread scrutiny regarding foreign election interference to noted weaknesses in its anti-money laundering regime, the announcements in Budget 2023 are welcome. The Coalition will monitor progress on the Canada Financial Crimes Agency and upcoming PCMLTFA review, and recommends civil society participation in both initiatives.

As for next steps, the Coalition urges the swift passage of Bill C-42 and recommends for the federal government to reach an agreement with provinces and territories so provincial entities can send beneficial ownership information directly into a central registry that is managed by the federal government.

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About us: *The End Snow-Washing Coalition is composed of three civil society organizations, who advocate for a publicly accessible, pan-Canadian, company registry of beneficial owners. Members include Publish What You Pay Canada, Transparency International Canada, and Canadians For Tax Fairness. Learn more at www.endsnowwashing.ca .*