

New Report - Provinces need to step up and work with feds to resolve Canada's opaque patchwork of corporate data

Press Release

October 25 – Toronto, Canada

As the federal government prepares to launch a public beneficial ownership registry in 2023, the current state of corporate data across all 14 Canadian jurisdictions is an opaque patchwork – leaving Canada vulnerable to money laundering and other financial crimes. Provinces and territories are the weakest link.

The 'End Snow Washing Coalition' (Transparency International Canada, Canadians for Tax Fairness, and Publish What You Pay Canada) examined corporate data transparency at the federal, provincial, and territorial levels using four weighted categories for evaluation: Accessibility; Searchability; Data Quality; and Depth of Data.

Registries were scored out of 100. The federal corporate registry received the highest score at 52.5. All other Canadian provinces and territories ranked below 40 out of 100. Prince Edward Island, Quebecs, and Nova Scotia scored 37.5, 36.25, and 33.75 respectively, whereas the lowest score for corporate data transparency was Nunavut at 6.25. While several jurisdictions make company data readily accessible, the quality of that data is poor and search functions are limited.

“Canadian corporate data transparency is in a bad state, though that is not surprising” said the report’s author, Adam Ross. “Corporate registries were designed simply to hold information. But this is no longer good enough given the money laundering and financial crime risks Canada faces from opaque corporate vehicles.”

International bodies like the Financial Action Task Force, and domestic investigations like the British Columbia Cullen Commission have flagged Canada’s poor corporate transparency standards as a key vulnerability for money laundering, or ‘snow washing’ as it has come to be known. Limited partnerships set up in Canadian provinces have been tied to elaborate global money laundering schemes known as ‘laundromats’.

“Even if the federal government improves corporate transparency within its own jurisdiction, it can’t go it alone,” said James Cohen, Executive Director at Transparency International Canada. “Provinces and territories need to work with the federal government. We can’t have provincial hold-outs undermining national efforts to clean house.”

To make corporate data more transparent across Canada, the End Snow Washing Coalition recommends several improvements:

- Jurisdictions need independent verification of data submitted to corporate registries.
- Corporate registries should collect and disclose names of directors and shareholders, both current and former.
- Registries require flexible search functions to allow analysis using different data points.
- Registries should have a mandate and resources to identify and punish non-compliance.

“As a good place to start, provinces should set their sights on ensuring that Canada’s forthcoming beneficial ownership registry is world-class,” said Sasha Caldera, Beneficial Ownership Campaign Manager at Publish What You Pay Canada. “Provinces should signal their willingness to support a pan-Canadian beneficial ownership registry that is led by the federal government.”

Read the full report Canadian Company Data Transparency Index [here](#).

See full evaluation scores below.

- 30 -

For Media Inquiries, Please Contact:

James Cohen
Executive Director, Transparency International Canada
Phone: 416-488-3939
E-mail: ti-can@transparencycanada.ca

Sasha Caldera
Beneficial Ownership Campaign Manager, Publish What You Pay Canada
Phone: 647-861-6425
E-mail: scaldera@pwyp.ca