



TRANSPARENCY  
INTERNATIONAL  
CANADA

# YEAR END REPORT

JULY 2017 – JUNE 2018

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# Organizational Updates

In December of 2018, TI Canada adopted its Strategic Plan 2018-2020. The Plan allows TI Canada to prioritise its work, establish an operating methodology, and communicate these with Members, external partners, and potential donors. The Plan was developed with leadership and support from TI Canada Board Members Bruce Moore, Chris Stover, and Jacques Duchesneau.

Within the Plan, TI Canada lays out its strategy as implementing its mission and striving to realize its vision by working toward three core strategies across its programming and activities:

1. Research Anti-Corruption
2. Educate and Mobilize Canadians
3. Influence Change

TI Canada is carrying out this strategy by:

1. Providing practical methods and information to reduce corruption
2. Raising Canadians' understanding of the nature and effects of corruption
3. Identifying corruption trends and anti-corruption responses
4. Positioning TI Canada as an anti-corruption clearing house
5. Strengthening TI Canada's capacity to support anti-corruption actions throughout Canada

Finally, some of TI Canada's areas for priority action will involve up-scaling current programming. Other areas will be designed and tested in one or several locations early in the Plan period followed by expansion across Canada, as resources permit. Over the three-year period of the Strategic Plan, TI Canada will focus on six priorities:

1. Reduce "white collar" corruption and crime in Canada and internationally
2. Strengthen anti-corruption legislation and mechanisms
3. Expand government relationships
4. Inform Canadians on the many forms of corruption and the harm it causes
5. Work to advance the global movement
6. Strengthen the Canadian TI Chapter

As part of outreach with members, TI Canada has been holding a series of information sessions to present the Plan to Members. Thus far sessions have been held in Vancouver, Toronto, and Ottawa.



In October of 2017, TI Canada moved office space to 77 Bloor Street West, Toronto, Suite 1600 where we continue to share space with Maytree.

In December of 2017, Alesia Nahirny returned as Executive Director. James Cohen, who had acted as Interim-Executive Director has remained with the organization taking on the position of Director, Programmes and Engagement, which is currently funded through the Capacity Building and Western Canada Engagement Grant.

At the end of 2017, TI Canada had \$124,820 cash on hand. Of this, \$67,369 was reserved for project specific funds. While Membership and individual donations increased in 2017, we saw a decrease in corporate support.

In August 2017, TI Canada implemented its new membership management system, Membee. The online system is being used to keep records of TI Canada members and contacts. The system also automates billing and manages event registrations.

# Programming Updates

## Beneficial Ownership

In 2017, TI Canada received a small grant of \$25,600 over a 2-year period for work on beneficial ownership transparency with our partners Publish What You Pay – Canada and Canadians for Tax Fairness. TI Canada's grant is provided through a sub-grant agreement signed with IMPACT Transforming Natural Resource Management. IMPACT is managing the full grant valued at \$224,103 received from the Open Society Foundation.

Objectives under the grant include:

1. Greater public awareness and media coverage of the need for increased beneficial ownership transparency in Canada;
2. Revisions of the PCMLTFA to improve beneficial ownership transparency;
3. Development of a policy proposal for the creation of a strong beneficial ownership regime in Canada, with broad support from stakeholders, including industry;
4. Public commitment on the part of the federal, provincial and territorial governments to create a publicly accessible, interoperable, and centralized registry of beneficial ownership information.

TI Canada's role as a partner organization to the grant is to engage with private sector partners and to undertake research.

The grant provides for a full-time staff (Sasha Caldera) hired at Canadians for Tax Fairness who is overseen by the Directors of TI Canada, PWYP-Canada and Canadians for Tax Fairness. These Directors make up the Steering Committee that is overseeing the grant as a whole.

Despite minimal funding, TI Canada has carried out a significant amount of activities on beneficial ownership transparency and anti-money laundering. This accomplishment is in large part due to the dedicated work of the Beneficial Ownership Transparency and Anti-Money Laundering Working Group notably led by Denis Meunier, Senior Advisor, Anti-Money Laundering/Beneficial Ownership Transparency. The Working Group has done a tremendous amount of work including representing the organization when called to testify to the House of Commons and the Senate on beneficial ownership transparency related to amendments to Canada's business laws through Bill C-25. TI Canada also testified on the government's review of the [Proceeds of Crime \(Money Laundering\) and Terrorist Financing Act \(PCMLTFA\)](#).

In addition to these invitations, TI Canada closely monitored developments by the federal, provincial, and territorial governments during finance minister meetings to address beneficial ownership transparency. These meeting culminated in a joint agreement in December of 2017 by all levels of government to require businesses to have corporate beneficial ownership information on hand should it be requested by law enforcement. TI Canada and its partners welcomed the progress, but insisted that this is too little, especially as the announcement came on the heels of the EU update for Anti Money Laundering Directive 5 (AMLD5), which requires all members to establish a public registry of beneficial ownership for companies.

To advance technical thinking of how such a registry could be established in Canada, TI Canada and its partners held a workshop in March of 2018. The workshop convened stakeholders from across sectors including finance, accounting, law, real estate, law enforcement, ex-government officials, and civil society. The workshop strengthened partnerships across sectors and generated thinking to help fortify the case for the feasibility of a centralized public registry of beneficial ownership in Canada.

TI Canada and its partners have used the insights generated from the workshop and the 2016 report '[No Reason to Hide: Unmasking the Anonymous Owners of Canadian Companies and Trusts](#)', in meetings with government officials in Ontario, British Columbia, and the Federal Government.

Furthermore, TI Canada appeared in numerous media outlets over the year for the 2016 report, to comment on other investigations such as the 'Vancouver Model', and on government updates – particularly Statistics Canada's release of speculative numbers on foreign ownership of property in Toronto and Vancouver. Transparency International also released the global report 'G20 Leaders or Laggards'. The report assessed the follow up by G20 leaders to their 2014 High Level Principles on Beneficial Ownership Transparency. Canada tied with South Korea at the bottom of all G20 members with a "weak" ranking of a beneficial ownership framework.



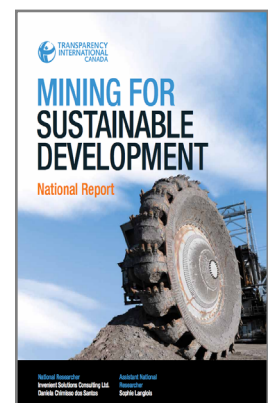
Director, Programmes and Engagement, James Cohen, discusses beneficial ownership on CTV's Your Morning

## Mining for Sustainable Development

In 2017, TI Canada completed Phase I of the Mining for Sustainable Development Programme (M4SD). The goal of the M4SD Programme was to conduct an assessment of corruption risks in mining licenses and permit processes. The TI Canada [study](#), released in March of 2018, focused on Ontario mine closure agreements in Ontario, which fed into the [TI Australia global report](#) summarizing findings from 20 chapters involved. [The global M4SD report](#) was released in December, 2017.

In each country report, after assessing corruption risks in the license and permit process, national chapters identified priority risks. TI Canada researchers identified and prioritized two main risks. The first is the risk of manipulation of negotiations with Indigenous Peoples, and the second is that certain steps of the award process are not publicly accessible.

The first priority risk is not specific or unique to the mine closure plans process. It is a much larger component of the relationship between Indigenous Peoples, provincial and federal governments, and the mining industry. Intermingled with other licenses and contracts, the duty to consult is at the heart of Indigenous



Peoples' rights, government relations with Indigenous Peoples, and the survival of the mining industry.

The second priority risk covers a number of issues in the mine closure agreement process. This includes lack of clarity over deciding which Indigenous communities are consulted and opaqueness over the process of determining mine rehabilitation costs.

In August of 2018, TI Canada presented initial report results to representatives across sectors including the Ontario government, private sector, and civil society. Notably lacking from the presentation were representatives from Ontario's Indigenous communities. TI Canada did manage to make connections with Indigenous communities, but only late into the project. As a result of this lack of representation, stakeholders present at the meeting agreed that the best course of action based on the report findings was further expanded research that includes Indigenous communities. Both government and private sector representatives said that a cross-jurisdictional study would be helpful in order to identify benchmarks of good practice in mining licence and permit transparency.

TI Canada used this feedback to develop a proposal for Phase II of the M4SD programme, which was accepted by BHP Billiton Foundation – as the main funder of the programme – and TI. The proposal is to expand research to three jurisdictions (provinces or territories) and assess either the whole exploration phase or development phase of mining in all three. The proposed timeline of Phase II is three years, and by the final year, after research is completed, the programme will focus on advocacy based on research results. As of Spring 2018, TI Canada is in subcontract negotiations with TI Australia to start the programme with a budget of roughly \$700,000.

## Western Canada and Capacity Building

TI Canada held a number of events in Western Canada in the past year, thanks to our Vancouver and Calgary-based Board Members, partners, and volunteers.

In Vancouver, TI Canada's partnership with the Peter A. Allard School of Law and the International Centre for Criminal Law Reform and Criminal Justice Policy (ICCLR) at the University of British Columbia continues to be successful as the Anti-Corruption Law Program (the ACLP). The Program is open to lawyers, business people, students, and academics and is being led by TI Canada's Vancouver Discussion Group. Two workshops were specifically sponsored by TI Canada: "The Potential for Corruption in P3 Projects" and "The Extractive Sector Transparency Measures Act (ESTMA) – Update and Reporting Experience". The ACLP is led in part by TI Canada Board members John Ritchie and Joe Weiler.

The ACLP held an end of year colloquium on December 1 with a public event in the morning and a strategy session in the afternoon. The colloquium was a great success with BC Attorney General, David Eby, as a keynote speaker. In his speech, AG Eby described the 'Vancouver Model' of money laundering, which garnered extensive media coverage. The AG's speech was followed by a presentation from TI Canada Member, Milos Barutciski, and a panel on anti-corruption issues addressing Canada from a range of perspectives. The closed door strategy session had roughly 20 attendees that included top anti-corruption practitioners and the AG. The ACLP has made great inroads in British Columbia including being regarded as a favourable resource for information by the AG, who has turned to TI Canada insights to guide thinking on beneficial ownership transparency.



British Columbia Attorney General, David Eby gives keynote speech at Anti-Corruption Law Program Colloquium, December 2017, Vancouver

In March, TI Canada held a second Calgary-based Western Canada Anti-Corruption Conference, led by TI Canada Board member, Martin Mueller, which was hosted by Deloitte's Calgary office and was live streamed to the Vancouver office. The event featured a panel on the 'Art of Compliance Evaluation', presentations on the government's integrity regime consultation, and ISO 37001. During open discussions, the Vancouver audience held their own discussion led by Carol Buckton of Siemens.

In the past year, the grant further supported TI Canada's capacity building. Stakeholder Relations and Engagement Consultant, Laura Lynes, supported capacity development through the end of 2017, particularly by guiding TI Canada on rolling out updated Membership and Supporter packages. Each package has different levels of financial contribution and benefits.

#### TI Canada Membership Packages

TI – Canada General Membership	\$25-\$149 (non-voting member)	\$150-\$499	\$500-\$999	\$1000+
TI – Canada Annual Membership with Voting Privileges		✓	✓	✓
TI-Canada e-Newsletter	✓	✓	✓	✓
Advanced Delivery of TI Canada Special Reports & Indexes	✓	✓	✓	✓
Day of Dialogue Comp Tickets (location of your choice)				1
30 % Discount off TI-Canada Events such as Day of Dialogue		✓	✓	✓
<b>TI – Canada Student Membership</b>	<b>\$75 / Year *Please send proof of student status</b>			
TI – Canada Annual Membership with Voting Privileges	✓	✓	✓	✓
TI-Canada e-Newsletter	✓	✓	✓	✓

## TI Canada Supporter Packages

CORPORATE SUPPORTER PROGRAM	BRONZE	SILVER	GOLD	PLATINUM
Support Amount	\$1000	\$2000	\$5000	\$10000
Advanced Delivery of TI-Canada Special Reports	✓	✓	✓	✓
TI-Canada Updates and e-Newsletter	✓	✓	✓	✓
Verbal Acknowledgement at Major Events	✓	✓	✓	✓
Access to TI-Canada's Network of Experts	✓	✓	✓	✓
Marquee Event - Toronto Day-of-Dialogue			✓	✓
Major Regional Event & Discussion Group Sponsor (region of your choice)		1	1	Unlimited
Option to Add Additional Sponsored Events 30% Off		✓	✓	✓
Optional Logo Acknowledgement on Web & Relevant Printed Materials (i.e. event programs/ annual report)		✓	✓	✓
Opportunity to Introduce a Presenter at an Event			✓	✓
Day of Dialogue Comp Tickets (location of your choice)		1	2	4
Day of Dialogue Additional Tickets - 30% discount	✓	✓	✓	✓
Option for a Student Internship in your Name - or - a TI-Canada-Program in your Name (minimum 3 year commitment)				✓
Membership to the Business Integrity Forum				✓



# Additional Programming and Initiatives

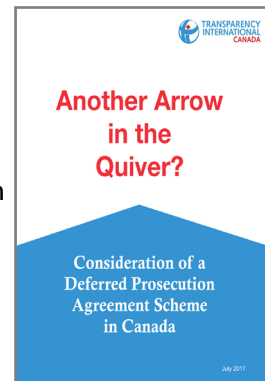
Over the past year, TI Canada provided commentary and expertise, and saw the effects of its hard work result in changes to improve accountability and transparency on a number of other initiatives that we continue to monitor.

## Deferred Prosecution Agreements

TI Canada published [‘Another Arrow in the Quiver?: Consideration of a Deferred Prosecution Scheme in Canada’](#) in July 2017. The report provides a review of arguments both for and against DPAs, an analysis of existing DPA models in the US and UK, and an appraisal of key issues for consideration such as monitoring, content, and conduct.

The report was submitted to Justice Canada along with detailed responses to the government’s open consultation on DPAs. In March of 2018, Justice Canada published the findings of its consultation, recommending that the government establish a Remediation Agreement Regime that follows the recommendations put forward by TI Canada. The federal government incorporated this recommendation in the federal budget, which is currently in review.

On May 30, 2018, TI Canada Board Member, Mark Morrison, testified to the Senate Standing Committee on Legal and Constitutional Affairs to discuss the proposition of a Remediation Agreement Regime and TI Canada’s proposals.



## Integrity Regime

In addition to the DPA consultation, TI Canada also contributed to Public Services and Procurement Canada’s open consultation on the review of the Federal Integrity Regime. As part of this [contribution](#), TI Canada emphasised previous insights on the Integrity Regime, such as a need to make debarment periods flexible, expanding the application of the Integrity Regime across federal agencies, and taking provincial cases against companies into consideration.

## Day of Dialogue

On May 17, 2018, TI Canada held its 8th Annual Day of Dialogue with UNCAC Coalition Chair, Juanita Olaya, as the keynote speaker. The panels addressed corruption in emerging markets, beneficial ownership transparency, behavioural economics, fintech, integrity regimes, and white collar crime enforcement. Additionally, there was a lunchtime fireside chat on the importance of investigative journalism.

Roughly 80 people attended the Day of Dialogue. Participants came from a range of sectors including legal, finance, academia, government, and consulting. Overall, feedback from participants was positive on the diversity of the day’s topics and the quality of conversations. However, many participants felt there was not enough time for networking and panel Q&As.



Scenes from TI Canada’s 8th Annual Day of Dialogue, held on May 17th, 2018



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