



TRANSPARENCY
INTERNATIONAL
CANADA

Annual Report

July 2021 - June 2022

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Message from the President and Executive Director

Between July 2021 and June 2022, TI Canada's work continued to have an impact on Canadian and international anti-corruption efforts. The importance of those efforts came into urgent focus with Russia's illegal invasion of Ukraine in February 2022.

As Western democracies struggled to implement sanctions that Russian targets have evaded, lingering gaps in global anti-money laundering enforcement came to light. TI Canada drew attention to Canada's gaps in a new report *Snow Washing Inc: How Canada is marketed abroad as a secrecy jurisdiction*. TI Canada also worked with the Transparency International global network to successfully advocate for the amendment of the Financial Action Task Force (FATF) global standards on beneficial ownership, and called attention to G7 country asset freezing gaps in the report *Up to the task? The state of play in countries committed to freezing and seizing Russian dirty money*.

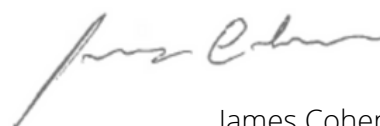
In the 2022 federal budget, the Canadian government expedited the timeline for implementing a publicly accessible beneficial ownership registry from 2025 to 2023. This development was welcomed by TI Canada and our partners. We now aim to work with the federal government on technical and legislative means to implement a best-in-class registry and bring provinces and territories on board.

A new round of funding will help the beneficial ownership project continue. TI Canada also received grants and contracts for additional work including continuing mapping transparency and accountability in environmental assessments. Transparency International received multi-year funding to improve health and education delivery in African countries. TI Canada will contribute through research support and liaising with Canadian stakeholders. Finally, TI Canada began collaborating with the Canada International Council to support policy development on addressing corruption as a challenge to restoring global democracy.

In the past year, the world was forced to reconcile with years of inaction in addressing global corruption. However, certain measures began coming into place nationally and internationally, particularly on beneficial ownership transparency. The US government hosted the Summit for Democracies in December 2021, and the Government of Canada is using that initiative to think through new ideas on addressing grand corruption, which TI Canada is contributing to. With this and the release of the Cullen Commission report as well as the government investigating a new financial crime agency, there is an opportunity for Canada to make strides in fighting corruption. TI Canada will build on our knowledge, networks, and successes to help leverage this moment.



Susan Côté-Freeman
President and Chair
Transparency International Canada



James Cohen
Executive Director
Transparency International Canada

Organizational Updates

TI Canada's finances were healthy at the end of 2021. At the end of the year, TI Canada had a surplus of \$186,091 with unreserved funds of \$144,221. In 2021, TI Canada brought in revenue of \$179,155 with \$71,260 in core revenue and \$107,895 in project revenue. TI Canada spent \$176,860 in total expenses with \$119,751 in core expenses and \$57,109 in project expenses. TI Canada had excess revenue of \$2,295 in 2021.

The core revenue is broken down as follows:

- Memberships → \$12,398
- Donations and Supporters → \$58,862.00
- Event Revenue → \$0
- Other Revenue → \$0

TI Canada received \$50,786 in 2021 from Canadian Emergency Wage Subsidies (CEWS) provided by the federal government to support businesses and charities during COVID-19. \$1,360.80 of the total amount listed above were issued in part through the Canadian Recovery Hiring Program. The CEWS subsidies are recorded as a reduction to salaries expense on the income statement of the financial statement.

Bilingualism

To improve national representation TI Canada has improved its bilingual content delivery. Since May 2022, TI Canada's news page, press releases, and social media publications have been distributed in both official languages.

Response to COVID-19

As health measures allowed, TI Canada staff transitioned to working in a hybrid manner. TI Canada has continued to focus on key thematic work areas such as beneficial ownership transparency and anti-corruption law enforcement integrating the impacts of COVID-19 into these topics.

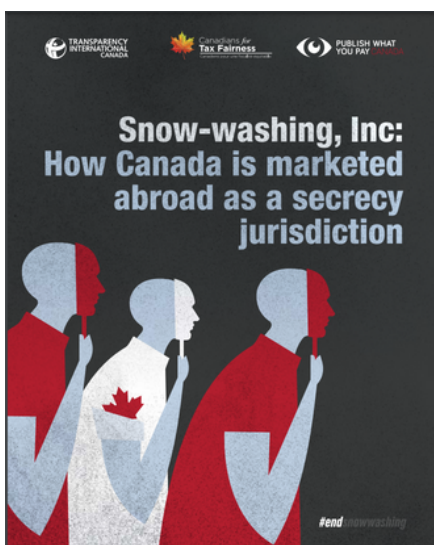
Programming Updates

Beneficial Ownership Transparency

The Open Society Foundation provided a two-year renewal to TI Canada's beneficial ownership work through the 'End Snow Washing' Coalition. The Coalition includes TI Canada, Canadians for Tax Fairness, and Publish What You Pay Canada. The funds are distributed to IMPACT, the parent organization of PWYP-Canada, distributed to Coalition members via sub-grants. The two-year renewal is for April 2022 to March 2024 for a total of \$297,500 and TI Canada will receive \$45,339 of the grant.

Due to the Coalition's successful advocacy efforts, March 22, 2022 marked a turning point in [Canada's fight against money laundering](#). Previously committed to producing a beneficial ownership registry by 2025, the federal government expedited the timeline by two years to 2023.

In addition to releasing the registry by 2023, the Government of Canada will include features such as: making the registry's data machine readable and downloadable; mobilizing a team and registrar to independently verify information, collect and securely store ID, and pursue instances of non-compliance; issuing strong penalties for false declarations, including for third parties attesting to documentation; and removing payment requirements prior to accessing the registry. Now, Canadians, civil society organizations, and investigative journalists can have easy access to vital information with which to expose and combat snow-washing sooner.



On March 15, 2022, TI Canada and 'End Snow Washing' Coalition partners published ["Snow-Washing Inc: How Canada is marketed abroad as a secrecy jurisdiction"](#).

The report identifies that Canadian limited partnerships have been linked to large money laundering schemes including those originating from Russia and former Soviet states.

Using the UK's publicly accessible beneficial ownership registry, the authors were able to identify some of these links by researching where secretive Canadian entities left a footprint.

As an antidote to snow-washing, the report advocates for the creation of a beneficial ownership registry which includes information from federally and provincially registered firms. Additional recommendations include: requiring partnerships to disclose their partners and file annual returns, in addition to legislating stronger penalties for regulatory non-compliance.

This report came after months of multimedia advocacy efforts beginning in 2021. These efforts began in September, when TI Canada released a video titled [“Time to end Snow-Washing in Canada”](#). This action was followed up by Executive Director (ED) Cohen, who published an article through [iPolitics](#) detailing the importance of cross-partisan cooperation as a means to end money laundering in Canada.

The End Snow-Washing Coalition, represented by Gratl & Company, [submitted final statements](#) to the Cullen Commission, British Columbia's high-profile inquiry of money laundering in the province, on July 30th, 2021. TI Canada provided [additional statements](#) on October 17, 2021. Together, the Coalition drew attention to multiple areas, notably: the challenges in collecting money laundering statistics, Canada's contributions to corruption, and the need for stronger regulations on corporate transparency.

On August 25, 2021, Transparency International Canada put forth two submissions, highlighting several areas of focus that should be included in a national beneficial ownership registry. This was in response to the [Financial Action Task Force's](#) (FATF) public consultation effort to enhance its recommendations for countries implementing beneficial ownership registries. In February 2022, the FATF updated its recommendations on beneficial ownership transparency to include members establishing a beneficial ownership registry.

This year, TI Canada provided three testimonies on beneficial ownership transparency to provincial and federal levels government, including:

- November 29, 2021, to the [Ontario Standing Committee on Finance and Economic Affairs](#), about Schedule 2 of Bill 43 which addressed the Ontario Business Corporations Act.
- February 17, 2022, to the [House Standing Committee on Finance](#), about Part 2 of Bill C-8, An Act to implement certain provisions of the economic and fiscal update tabled in Parliament on December 14, 2021 and other measures.
- May 18, 2022, to the [Senate Standing Committee on Banking, Trade and Commerce](#), about Bill C-19, An Act to implement certain provisions of the budget tabled in Parliament on April 7, 2022 and other measures.

On November 9, 2021, Executive Director James Cohen participated in a [press conference](#) on the Ontario Anti-Money Laundering Act, which called for the establishment of a beneficial ownership registry of property in Ontario.

TI Canada Response to Russia's Illegal Invasion of Ukraine

On March 1, 2021, TI Canada and the End Snow Washing Coalition [wrote to Ministers](#) Freeland, Champagne, LeBouthillier, and Joly. The letter called on them to implement a pan-Canadian, publicly accessible, beneficial ownership registry to improve the efficacy of Canada's sanctions against Russia.

TI Canada supported research in TI's publication [Up to the task? The state of play in countries committed to freezing and seizing Russian dirty money](#), published on May 24, 2022. The report found that G7 nations that formed the Russian Elites, Proxies and Oligarchs (REPO) Task Force have authorities that lack information, capacity, and powers to track down illicit wealth. As things stand, governments may also face significant legal challenges when attempting to confiscate and return these assets to the victims of corruption.

Environment Assessment Transparency

Building on the Accountable Mining project, TI Canada was approved for a two-year grant for \$25,000 from Trottier Family Foundation in 2021. The purpose of the project is to improve the accountability and transparency of Canada's Environmental Assessment (EA) regimes and ensure that environmental stewardship is transparent and accountable as the country moves forward on a "Build Back Better" agenda.

The project will focus on Newfoundland's EA regime, and look beyond mining to include hydro-electric and oil and gas projects. The research methodology will build-in the Mining Awards Corruption Risk Assessment tool that was used in the previous project phase which focused on Ontario, BC, and the Yukon. TI Canada will conduct research to identify transparency and accountability gaps based on how Newfoundland's EAs are written in legislation and regulations versus how they work in practice, with a particular emphasis placed on how COVID-19 is impacting EAs.

All 4 Inclusive Service Delivery Africa

Transparency International (TI) and its chapters in DR Congo, Ghana, Madagascar, Rwanda and Zimbabwe, have agreed to implement the project All 4 Inclusive Service Delivery Africa from 2022 to 2026. The project will draw on the expertise and networks of TI Canada and TI's Global Thematic Network Initiative on Health, based in the United Kingdom. All 4 Inclusive Service Delivery Africa is supported by Global Affairs Canada with an overall budget of CAD 9.5 million.

The project aims to improve access to education and healthcare services for women, girls and other groups at risk of discrimination in Africa by addressing corruption-related barriers. Its inception phase has begun with TI Canada supporting the project by liaising with Canadian stakeholders - government officials, community organizations, and Indigenous groups - and working with NGOs located in Africa that are funded by Global Affairs Canada.

Additional Programming and Initiatives

Addressing Grand Corruption

On March 24, 2022, TI Canada Chair and President, Susan Côté-Freeman, served as a witness at the [Senate Standing Committee on Foreign Affairs and International Trade](#). President Côté-Freeman's testimony centered around Bill S-217, An Act respecting the repurposing of certain seized, frozen or sequestered assets. Her testimony advanced five points: first, the Bill should consider additional victims of corruption and recipients of repurposed funds, not simply refugees. Secondly, the assumption that assets are being frozen under the Special Economic Measures Act is not corroborated by TI Canada's research. Thirdly, Senators must explore how the constitutional division of powers affects forfeiture laws. Fourthly, the Bill must have a transparent fund repurposing clause. Finally, the efficacy of the Bill is contingent on the creation of a beneficial ownership registry.

TI Canada began collaborating with the Canadian International Council and the Konrad-Adenauer Foundation on a project called 'Renewing our Democratic Alliance'. The project aims to develop policy papers through holding meetings between experts to debate and refine the papers. The resulting policy initiatives will then be disseminated among the Canadian and German governments as well as international institutions. On June 10, TI Canada coordinated a roundtable for experts to focus on addressing corruption.

Webinars

This year, TI Canada delivered 5 webinars. The [first](#) was on April 15, 2021 detailing TI Canada's new strategic plan for 2021 - 2023. The [second](#) took place on June 2, 2021, focusing on the key components that Canadian governments must consider when implementing a beneficial ownership registry. The [third](#) was hosted on June 3, 2021 as the French version of the aforementioned virtual event. The [fourth](#) was scheduled on July 8, 2021 by the Anti-Corruption Law Program. It presented audience members with strategies on how to combat corruption more effectively. [Lastly](#), on December 6, 2021, TI Canada's webinar brought together experts to discuss why anti-corruption principles must be integrated into Canada's foreign policy.

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