



**TRANSPARENCY
INTERNATIONAL
CANADA**

YEAR END REPORT

JULY 2019 – JUNE 2020

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Message from the President and Executive Director

The past year has seen great success for TI Canada as we entered into unprecedented times.

In 2019-2020, TI Canada continued to play a leading role in the national discourse on money-laundering and beneficial ownership transparency. As result of TI Canada’s work, along with our coalition partners at Publish What You Pay Canada and Canadians for Tax Fairness, in early 2020, the federal government held a public consultation on a beneficial ownership transparency and the potential adoption of a *publicly accessible* registry. In British Columbia, the government passed legislation for the Land Ownership Transparency Act, and the Government of Québec proposed the establishment of a public beneficial ownership registry. These are key policy wins for TI Canada, our partners, and for Canadians!

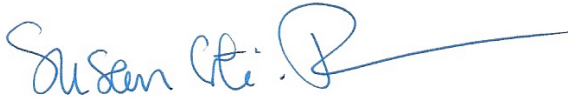
In carrying out our mandate for research, we completed our research in Ontario, BC, and the Yukon for the Accountable Mining program, identifying intriguing insights into mining license and permitting processes that we will publish in the second half of 2020. We also completed research on options for the establishment of a national publicly accessible beneficial ownership registry in Canada and with our coalition partners we published a legal analysis of establishing such a registry in Canada.

Financially, TI Canada is fortunately in excellent shape with two funded projects allowing us to conduct research, education, and influence change, as well as our healthiest ever untied funding carry-over at the end of 2019.

Nevertheless, the COVID-19 crisis has required programming adaptation, and could make future fundraising challenging. Our 10th anniversary Day of Dialogue, which was scheduled for May 21, will take place in the fall as a virtual event.

TI Canada enters this uncertain time as we conclude a three-year strategic cycle and begin developing our next one. COVID-19 is requiring our government to disperse relief funds at a level and rate not seen in generations. And with this disbursement, transparency and accountability are urgently required. TI Canada is looking to respond to future challenges both in the immediate term and the long term. From the Board and staff, we thank our Members, Supporters, donors, and volunteers in helping us move forward.

Sincerely,



Susan Côté-Freeman
President and Chair
Transparency International Canada



James Cohen
Executive Director
Transparency International Canada

Organizational Updates

TI Canada's finances were on a solid footing in 2019. At the end the year, TI Canada had a surplus of \$136,256 with unreserved funds of \$94,546. In 2019, TI Canada brought in revenue of \$491,944 with \$104,619 in core revenue and \$387,325 in project revenue. TI Canada spent \$449,520 in total expenses with \$60,770 in core expenses and \$388,750 in project expenses. TI Canada had excess revenue of \$42,424 in 2019.

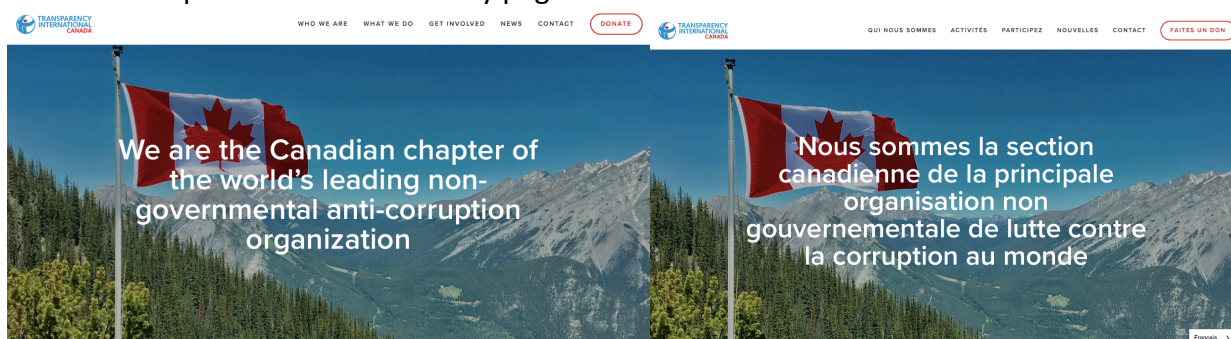
The core revenue is broken down as follows:

- Memberships - \$14,145
- Donations and Supporters - \$59,890
- Event Revenue - \$29,214

On February 12, 2020 TI Canada was re-accredited as a TI National Chapter by the TI Membership Accreditation Committee and the TI Secretariat Board. As part of re-accreditation, the TI Board of Directors made the following recommendations for TI Canada's governance and accountability that they wish for us to address in the following three years:

- Asked to take action and provide a progress report to TI-S within twelve months on the following:
 - Update and publish the code of conduct on the chapter website;
 - Ensure all funding sources are clearly and openly recorded, as well as publish latest donor information on the chapter website;
 - Review current board election procedures and ensure all board members are elected or approved through the Annual General Meeting;
 - Provide an overview of activities and plans for expanded engagement and strategic presence in Canada, including in the francophone part of the country;
- Asked to develop a safeguarding and anti-harassment policy, in line with the movement-wide prioritisation of this issue, and ensure coherence with complaints mechanism
- Encouraged to revise the Annual General Meeting quorum to be more proportional to the number of members, and to work on improving the attendance rate.

The TI Canada website has been updated and has moved from a Wordpress base to Squarespace to enable simpler modification. Many pages on the site are now also available in French.



Response to COVID-19

Like all other organizations in Canada and most of the world, TI Canada had to adapt to new realities of working under lockdown since the spread of COVID-19. All TI Canada staff members attended the same PDAC Convention that Prime Trudeau attended, where news broke on March 11 that one attendee had tested positive for COVID-19. Since then, all TI Canada staff have worked remotely.

While staff are headquartered in Toronto, TI Canada is a national organization with Board Members, volunteers, contractors, and project partners located across the country. Thus, after initial adjustment, day-to-day operations of TI Canada were able to resume. In person meetings and events, particularly the 2020 Toronto Day of Dialogue and stakeholder outreach for the Accountable Mining program have required rethinking from TI Canada staff and Board, namely on how best to engage Canadians virtually.

To compensate for the lose review from postponing the Day of Dialogue, TI Canada applied for the Canadian Emergency Wage Subsidy. As of the time of reporting, TI Canada has so far received funding for the March-April period.

Programming Updates

Beneficial Ownership

In October 2019, TI Canada received a new two-year grant in the amount of \$61,469 from Open Society Foundation. The grant was once again awarded jointly to TI Canada, Publish What You Pay Canada and Canadians for Tax Fairness. The full grant is administered by IMPACT, an Ottawa-based NGO and is valued at \$181,500 USD (\$237,594 CDN). The grant is intended to support the 'End Snow Washing Coalition' (the Coalition) to continue to campaign for a publicly accessible registry of beneficial ownership through research and campaigning.

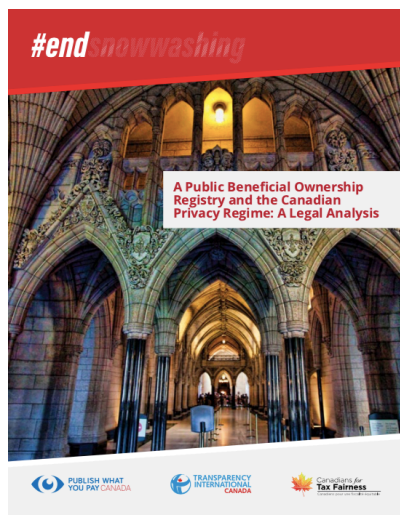
In the lead up and aftermath of the 2019 Federal election, anti-money laundering and beneficial ownership played a sizeable role. The Liberals, Conservatives and NDP all referred to money laundering in their party platforms. Following the election, addressing the issues of beneficial ownership transparency and money laundering were cited in four Cabinet Minister Mandate Letters.

On February 12, the federal government put out a call for public consultations on a public beneficial ownership registry. The Coalition submitted answers to the government's questions and provided an in-person consultation in Toronto on March 4 with TI Canada Beneficial Ownership Working Group members attending while representing their own organizations.

In addition to the federal government's consultation, the Coalition also made submissions to:

- The Québec government’s consultation in December 2019, which led to the Government of Québec proposing a publicly accessible registry in the 2020-2021 Budget Proposal;
- The Ontario government’s consultation on business law modernization in January 2020.
- The British Columbia government’s consultation on registry in March 2020;

The Coalition was also selected as a participant for the Commission of Inquiry into Money Laundering in British Columbia. TI Canada ED, James Cohen, represented the Coalition in presenting opening remarks on February 26. In the second phase of the Commission, which examines money laundering from a broad perspective, TI Canada Member and Beneficial Ownership Working Group volunteer, Kevin Comeau, represented the Coalition as pro bono counsel.



Finally, led by PWYP-Canada, the Coalition released ‘A Public Beneficial Ownership Registry and the Canadian Privacy Regime: A Legal Analysis’. The report findings state that public beneficial ownership disclosure “should justify any risk of infringement of individual privacy rights”. To support this, the report recommends:

1. Fields are limited to those that carry a lower expectation of privacy;
2. Fields as above are essential to addressing government objectives of crime detection, and have further benefits for tax enforcement, consumer protection, and transparency in political financing;
3. Legislation is needed to authorize collection and disclosure of beneficial ownership information. Federal, provincial, and

territorial statutes should be passed specifically authorizing collection and public disclosure of beneficial ownership information.

Accountable Mining Program

In 2020, the Mining for Sustainable Development Program was renamed the Accountable Mining Program by TI Australia, coordinating chapter of the global program, which includes 20 TI chapters. The name change is reflective of the intended continuation of the program past 2020. A number of TI chapters around the world are moving beyond the initial focus of the program on mining licence and permit processes broadly to specific issues including beneficial ownership, business integrity, and community consultation. TI Australia plans on working with chapters to calibrate the program for new funding with new donors.

Researchers completed their work for the Program in Ontario, BC, and Yukon having carried out:

- 128 interviews with government, industry, Indigenous, practitioner, and civil society representatives;
- Validation workshops and interviews;
- Analyses and mappings environmental assessment legislation and regulations;
- Contextual background research on mining, environment, and transparency and accountability.

Researchers provided technical reports to TI Canada’s Program team at the beginning of 2020, and the team has developed a national report that is near completion.

In addition to research, TI Canada staff and researchers carried out and participated in a number of outreach activities to build awareness of the Accountable Mining Program including:

- Prospector and Developers Association, Toronto, Ontario, March 1-5, 2020
- Mayo Mining Days - Mayo, Yukon, September 24, 2019
- Ontario Association for Impact Assessment Annual Conference – Toronto, Ontario, October 29-30, 2019
- 6th Yukon Geoscience Forum – Whitehorse, Yukon, November 19, 2019
- Association of Mineral Exploration (AME)’s Roundup – Vancouver, BC, January 19-23, 2020

The national report that synthesizes the findings from the individual jurisdiction research is scheduled for release in July 2020 following review from the Accountable Mining Advisory Committee. TI Canada staff and the Advisory Committee are also reviewing how to engage stakeholders in the jurisdictional governments, industries, Indigenous Communities, and civil society for the report roll-out in the context of COVID-19.

Western Canada and Capacity Building

TI Canada completed the Western Canada and Capacity Building grant in 2019 following a no-cost extension at the end of 2018 to use unspent funds. In the second half of 2019, these funds were primarily used for the Vancouver Day of Dialogue, held on December 6 at KPMG. The event was over capacity with 63 attendees registered. It was very well received with discussions on what BC could learn from the Charbonneau Commission and Anti-Corruption Unit in Québec and the Serious Fraud Office in Ontario, as the province heads into the Cullen Commission.

Funds from the grant were also used to update the TI Canada website.

Additional Programming and Initiatives

Business Integrity Forum

On November 11, TI Canada held its inaugural Business Integrity Forum (BIF) at BLG LLP as a pilot session to test how future BIFs could be run. Representatives from financial, legal, accounting, mining, engineering and energy companies attended. Guest speakers for the BIF were John Sypnowich, Chief Legal and Compliance Officer at the CSL Group, and President of the Maritime Anti-Corruption Network, and Eduardo Bohorquez, Executive Director for TI Mexico.

In the follow up discussion on how TI Canada could run a BIF, participants raised the issues including the following:

- The appeal to Canadian companies of exchanging lessons and good practice in transparency and corporate compliance;
- Creating a benchmark on corporate transparency and compliance through an index like TI's TRAC report;
- The need for a clear value proposition of the BIF for companies' continued participation;
- How to engage Canadian companies through cross-sector or sector specific forums;

Webinars

With the need to postpone in-person events, in particular the Toronto Day of Dialogue, TI Canada ran two webinars:

- COVID-19 and Corruption: Canada and the World
- Anti-Corruption Education: What are we teaching future leaders

Both webinars were well received with 100 and 63 attendees respectively. TI Canada will need to work further on how to translate free attendance into new Members, Supporters, and donations in order to sustain associated costs and further support fundraising for the organization.

www.transparencycanada.ca

77 Bloor Street West
Suite 1600
Toronto, Ontario, M5S 1M2

416-488-3939

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