

## **MEDIA RELEASE: Commitment to fight money laundering (“snow-washing”) in 2021 federal budget enthusiastically applauded by civil society organizations**

*Canada announces a publicly accessible registry after years of beneficial ownership transparency discussions amongst government, industry, and civil society campaign efforts.*

**For immediate release: Monday, April 19th 2021**

OTTAWA and TORONTO - The federal government’s announcement of a publicly accessible beneficial ownership registry for corporate entities in Budget 2021 is being enthusiastically applauded by a coalition of civil society organizations, Publish What You Pay Canada, Transparency International Canada, and Canadians For Tax Fairness, following years of campaigning.

“We applaud Minister Freeland’s pledge to commit 2.1 million dollars over two years to Innovation Science and Economic Development Canada (ISED) to implement a publicly accessible registry by 2025,” said Sasha Caldera, Beneficial Ownership Campaign Manager at Publish What You Pay Canada. “There is growing international evidence that public registries are powerful tools to fight dirty money and this announcement is monumental for Canada.”

Canada has a notorious reputation as a country where it is easy to hide dirty money and fund illegal activity from abroad, known as ‘snow-washing’.<sup>1</sup> Civil society, industry associations, and experts, including former RCMP officials, have recommended establishing a publicly accessible beneficial ownership registry to help law enforcement, tax authorities, companies, and the public deter and identify nefarious actors abusing anonymous companies in Canada.

The federal announcement follows on similar developments in two provinces. Quebec has already put forward legislation to make beneficial ownership information available on its existing corporate registry.<sup>2</sup> Later this month, British Columbia’s Land Owner Transparency Registry will become operational and provide access to some beneficial ownership information for land-owning companies, partnerships, and trusts.<sup>3</sup>

“Canada just took a big leap to the front of the class on beneficial ownership transparency, said James Cohen, Executive Director of Transparency International Canada. “We can now stay ahead by ensuring we learn from peers to build the most effective registry with verification and enforcement systems.”

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<sup>1</sup> See: <https://projects.thestar.com/panama-papers/canada-is-the-worlds-newest-tax-haven/>

<sup>2</sup> See: [http://www.budget.finances.gouv.qc.ca/budget/2020-2021/en/documents/Budget2021\\_AdditionalInfo.pdf](http://www.budget.finances.gouv.qc.ca/budget/2020-2021/en/documents/Budget2021_AdditionalInfo.pdf)

<sup>3</sup> See: <https://landtransparency.ca/>

Canada's announcement brings it in line with other countries using public ownership registries to help stamp out crime and corruption. Currently, 48 countries, including large G7 and G20 economies, have made commitments to publicly accessible registries. Sixty-one countries<sup>4</sup> are committed to central or partial registry systems, including the United States<sup>5</sup>.

"Tax dodging and money laundering costs the Canadian economy billions annually," said Toby Sanger, Director of Canadians for Tax Fairness. "A beneficial ownership registry will help Canada recover significant tax revenues, and ensure companies who play by the rules and pay their share are not unfairly disadvantaged," Sanger said.

Moving forward, the Coalition encourages the Canadian government to learn lessons from international peers in the UK and EU, who are already implementing public registries. Canada has the opportunity to set a global benchmark for registries by including registrar powers, ID verification, and to harmonize with provinces and territories.

#### Signatories, from the End Snow-Washing Coalition:

- Sasha Caldera, Campaign Manager, Beneficial Ownership Transparency—Publish What You Pay Canada
- Emily Nickerson, Director—Publish What You Pay Canada
- James Cohen, Executive Director—Transparency International Canada
- Toby Sanger, Executive Director—Canadians For Tax Fairness

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- **James Cohen**, Executive Director, Transparency International Canada, 1.416.488.3939, [ti-can@transparencycanada.ca](mailto:ti-can@transparencycanada.ca)

**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](http://www.endsnowwashing.ca).*

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<sup>4</sup> See map of countries who have made commitments: <https://www.openownership.org/map/>

<sup>5</sup> See: <https://www.reedsmith.com/en/perspectives/2021/02/an-overview-of-the-corporate-transparency-act>