

Canada passes landmark legislation to fight corruption, money laundering, tax evasion, and terrorist financing.

Bill C-42, Amendments to the Canada Business Corporations Act (CBCA) passes third reading in Canada's Senate and received Royal Assent.

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OTTAWA: Today, Bill C-42 successfully received Royal Assent, paving the way for Canada to have a publicly accessible registry that lists the ultimate beneficial owners of companies. Earlier last month, Senate members heard from the 'End Snow-washing' Coalition: Publish What You Pay Canada, Transparency International Canada, and Canadians For Tax Fairness who provided a strong endorsement for the legislation and urged members to ensure it gets through Canada's Senate without delay. Yesterday, the bill successfully passed all stages of reading in Canada's Parliament and today it received Royal Assent.

"We applaud Canada's Senate and Canada's Minister of Innovation, Science and Economic Development, François-Philippe Champagne for championing this bill. A publicly accessible and searchable registry can deter billions of illicit funds from entering Canada through federal companies each year," said Sasha Caldera, Beneficial Ownership Campaign Manager at Publish What You Pay Canada. "Money laundering is the lifeline for criminal activity, the fentanyl crisis, and foreign interference. Canada will soon have a powerful tool that will strengthen the integrity of its economy."

The powerful new legislation contains key elements that the Coalition has been advocating for, including:

- Publicly accessible with a back end for law enforcement and competent authorities.
- Searchable.
- Free of cost.
- A mechanism for whistle-blowers to flag errors.
- Basic data verification and validation.
- Capacity to be scaled out to provinces and territories.

"The use of Canada as a secrecy jurisdiction to engage in 'snow washing' is coming to an end. This bill makes it harder for money launderers to hide behind federal corporations to wash their dirty money" said Noah Arshinoff, Interim Executive Director of Transparency International Canada. "But if we want to end snow washing, the provinces and territories must get on board. No one wants to be Canada's hold-out secrecy jurisdiction."

Currently, 132 countries have made commitments to beneficial ownership registries; moreover, beneficial ownership registries are part of G7/G20 and Five Eyes' national security strategies to curb tax evasion and protect liberal democracies against foreign influence.

“Tax dodging and money laundering cost the public billions every year,” said Erika Beauchesne, from Canadians for Tax Fairness. “Bill C-42 will significantly improve tax compliance and enforcement for all levels of government.”

As a next step, the Coalition urges the federal government to reach an agreement with provinces and territories and to offer a flexible choice: send beneficial ownership information directly into the federal registry, or create their own using the same federal standard. A pan-Canadian agreement will ensure comprehensive coverage across Canada to avoid any weak spots that can be exploited by criminals.

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About us: *The End Snow-Washing Coalition comprises three civil society organizations, that 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.*