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OOP FOI PREM:EX

From: Aaron, Sage PREM:EX
Sent: May 9, 2019 4:12 PM
To: LP PREM Directors
Subject: Maloney / German AML KM / QA
Attachments: Short KM & QA - ML in Real Estate.docx; ATT00001.htm

Short KM/QA - Money Laundering in Real Estate

Key message:

- Our real estate market should be used for housing people — not for laundering the proceeds of crime.
- The old government's refusal to act on dirty money has cost B.C. families billions of dollars.
- Money laundering has driven up the price of real estate in B.C. by 5%.
 - In Metro Vancouver, that's \$32,000 more for a condo, \$39,000 more for a townhouse, \$71,000 more for a detached home, and those costs get passed on to renters as well.
- We are already taking action with a registry for beneficial owners that will end hidden ownership and make B.C. real estate more transparent and fair.
- We're going to stamp out this problem the old government ignored.

Will you launch a public inquiry?

- We're hearing from people who are calling for an inquiry and want a decision.
- That decision is in front of Cabinet. We'll have news for you soon.

Will efforts to combat money laundering in BC's real estate market make housing more affordable in B.C.?

- After years of inaction that left people in B.C. struggling, we are working hard to increase the right kind of supply - affordable homes for people.
- That includes tackling the money laundering that is pushing the price of homes out of reach for British Columbians.
- I'm cautiously optimistic the housing market is returning to balance so people who live and work in B.C. will be able to afford a place to call home.

What changes is government considering as a result of these reports? When can we expect these changes to be implemented?

- We are committed to addressing the findings and recommendations in both reports.
- We've already begun. We have introduced changes to put an end to hidden ownership in real estate to make it fairer and more transparent for people.
- The Expert Panel identified that as the "single most important measure" that can be taken to combat money laundering.

Is this targeting B.C.'s Chinese community? The Report talks about pinpointing geographic locations of where dirty money may originate.

- Absolutely not. Money laundering is hurting everyone in B.C. – no matter your background.
- This report makes it clear that money laundering is a global problem, connected to organized crime in B.C. and around the world.
- We will denounce anyone who twists government's work on money laundering to legitimize racist attacks.

OOP FOI PREM:EX

From: Aaron, Sage PREM:EX
Sent: May 9, 2019 12:17 PM
To: LP PREM Directors
Subject: NR AML RE reports Draft May8 805pm.docx
Attachments: NR AML RE reports Draft May8 805pm.docx; ATT00001.txt

NEWS RELEASE

For Immediate Release
[release number]
May 9, 2019

Ministry of Finance
Ministry of Attorney General

Billions in money laundering increased cost of housing for British Columbians, Expert Panel finds

VICTORIA – More than \$7 billion in dirty money was laundered in B.C. in 2018, hiking the cost of buying a home by about 5%, according to British Columbia's Expert Panel on Money Laundering in Real Estate.

"Our housing market should be used for housing people – not for laundering the proceeds of crime," says Carole James, Minister of Finance. "The amount of money being laundered in B.C. and through real estate is much more than anyone predicted. Our government is tackling the housing crisis head-on and taking action to combat the money laundering that has been allowed to drive up housing costs for British Columbians for far too long."

The panel's report, released today along with the remaining chapters of Peter German's review into money laundering in real estate, luxury cars and horse racing, estimates that a total of \$7.4 billion was laundered in B.C. in 2018. The Expert Panel estimates that \$5 billion was laundered through the real estate market.

Dr. German's report found thousands of specific properties worth billions as "high risk" for potential money laundering, tax evasion, or both. He also found that there was no agency or police force with adequate oversight or resources to investigate these suspicious activities. This builds on Dr. German's first report into money laundering in casinos, and his work on luxury cars, demonstrating the pervasiveness of dirty money across B.C.'s economy.

"Wealthy criminals and those attempting to evade taxes have had the run of our province for too long, to the point that they are now distorting our economy, hurting families looking for housing and impacting those who have lost loved ones due to opioid overdose," said David Eby, Attorney General. "By closing loopholes and enforcing improved laws, our government will ensure British Columbians will live in a province where families who work hard and play by the rules are rewarded, and those who break the law face appropriate consequences for their illegal activities."

The Expert Panel's report and recommendations address many of the troubling practices and problems German's findings identify. The Minister of Finance and the Attorney General are reviewing the findings from both reports and will be taking further action to get dirty money out of B.C.

Government has already taken significant steps to make the real estate market more fair and transparent, and to fight dirty money.

“As a conservative estimate, we’re looking at money laundering on the scale of \$7.4 billion in 2018. That’s just for B.C., let alone the rest of Canada,” says Maureen Maloney, the chair of the Expert Panel on Money Laundering in Real Estate. “B.C. has taken a major step to prevent money laundering with its proposed registry of beneficial owners of land – the single most important measure that can be taken to combat money laundering in real estate.

One year since introducing its 30-point housing plan, government has taken the following actions to address tax fraud and close loopholes in the real estate market:

- Introduced legislation to establish Canada’s first public registry of beneficial owners to put an end to the hidden ownership of real estate in B.C.;
- Established Canada’s first online register for pre-sale condo sales to track assignments;
- Updated the property transfer tax return to uncover beneficial owners behind corporations and trusts;
- Enacted legislation to allow information sharing on the homeowner grant with federal tax officials to improve tax enforcement;
- Strengthened property transfer tax auditors’ ability to take action on tax evasion;
- Implemented the speculation and vacancy tax, which targets foreign owners and satellite families who own real estate in the province but pay little or no tax in B.C.; and
- Established a federal-provincial working group on tax fraud and money laundering.

Learn More:

Read the Expert Panel’s full report: [\[link\]](#)

Read Peter German’s report: [\[link\]](#)

See the Expert Panel’s presentation: [\[link\]](#)

See Peter German’s presentation: [\[link\]](#)

For more information about the Land Owner Transparency Act:

<https://news.gov.bc.ca/releases/2019FIN0037-000545>

Read “Homes for B.C.: A 30-Point Plan for Housing Affordability” here:

https://www.bcbudget.gov.bc.ca/2018/homesbc/2018_homes_for_bc.pdf

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250 356-0543

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Attorney General
778 678-1572

OOP FOI PREM:EX

From: Nash, Amber PREM:EX
Sent: May 3, 2019 3:32 PM
To: Aaron, Sage PREM:EX
Subject: RE: AML rollout

FYI – May 15th - Cabinet and then Premier heading to Public memorial for Paul Fraser until 1pm.

From: Aaron, Sage PREM:EX
Sent: May 3, 2019 7:52 AM
To: Nash, Amber PREM:EX
Subject: Fwd: AML rollout

Sage
778-678-0832
Sent from my mobile device

Begin forwarded message:

From: "Meggs, Geoff PREM:EX" <Geoff.Meggs@gov.bc.ca>
Date: May 3, 2019 at 7:50:27 AM PDT
To: "Eby, David AG:EX" <David.Eby@gov.bc.ca>, "James, Carole FIN:EX" <Carole.James@gov.bc.ca>
Cc: "Wright, Don J. PREM:EX" <Don.J.Wright@gov.bc.ca>, "Wanamaker, Lori FIN:EX" <Lori.Wanamaker@gov.bc.ca>, "Fyfe, Richard J AG:EX" <Richard.Fyfe@gov.bc.ca>, "Harder, Derrick AG:EX" <Derrick.Harder@gov.bc.ca>, "Spilker, Robyn FIN:EX" <Robyn.Spilker@gov.bc.ca>, "Lawson, Liam FIN:EX" <Liam.Lawson@gov.bc.ca>, "Howlett, Tim GCPE:EX" <Tim.Howlett@gov.bc.ca>, "Aaron, Sage PREM:EX" <Sage.Aaron@gov.bc.ca>, "Smith, George PREM:EX" <George.Smith@gov.bc.ca>
Subject: AML rollout

Good afternoon,

Good morning,

In response to a number of inquiries and after consultation with Don Wright, I'd like to confirm the following arrangements for next steps in the anti-money laundering file:

Timeline

May 7 – release of German chapters on luxury cars and horse racing (Minister Eby) s.12.s.13
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Thanks for your assistance

Geoff

GEOFF MEGGS

Chief of Staff, Premier's Office
West Annex, Parliament Buildings
Victoria, BC, V8V 1K7
250 387-1715

Holmwood, Jen PREM:EX

From: Finn, Heather GCPE:EX
Sent: Thursday, May 9, 2019 3:01 PM
To: Aaron, Sage PREM:EX; Holmwood, Jen PREM:EX; Smith, George PREM:EX; Gibbs, Robb GCPE:EX
Cc: Dalzell, Danielle GCPE:EX; Devereux, Rick GCPE:EX; Poorooshab, Nammi GCPE:EX; Marriott, Sarah GCPE:EX; Smith, Jimmy GCPE:EX
Subject: AML Com plan
Attachments: 20190509 AML-Complan-updated.docx

Hi all,

Since Premier isn't doing his weekly scrum today and the Ministers' response on this was more vague (currently before cabinet, answer soon) do we need to find a way to fulfill part three of the roll out in the attached plan?

Please advise.

Thanks!

Heather Finn

Heather Finn

Director – Cabinet Priorities

Government Communications and Public Engagement

Heather.Finn@gov.bc.ca

778-679-2104

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