

Ministry of Finance & Ministry of Public Safety & Solicitor General

JOINT BRIEFING DOCUMENT

To: Heather Wood
Deputy Minister of Finance

Date Requested: February 16th, 2022

Date Required: April 8, 2022

Doug Scott
Deputy Solicitor General

Initiated by: Asha Bhat
ADM, Gender Equity Office

Date Prepared: March 28, 2022

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Taryn Walsh
ADM, Community Safety
& Crime Prevention

TITLE: External Advisory Committee for Gender-Based Violence Action Plan

PURPOSE:
(X) DECISION REQUIRED

DATE PREPARED: March 28, 2022

TITLE: External Advisory Committee, Gender-Based Violence Action Plan

ISSUE: Whether to convene an External Advisory Committee, beginning in May 2022, to obtain advice from external partners on the development and implementation of the Gender Based Violence (GBV) Action Plan.

BACKGROUND:

- The Parliamentary Secretary for Gender Equity and the Minister of Public Safety and Solicitor General share a joint mandate commitment to develop an action plan to end GBV, including minimum standards for sexual assault response, more training for police, Crown counsel and justices, and core funding for sexual assault centres.

s.12; s.13

- conducting formal external engagement in Spring 2022 (underway);
 - creating an internal, cross-government Steering Committee (ADM-level) and Working Group (Director/Senior Manager level) (both established) to coordinate a whole-of-government approach for the GBV Action Plan; and
 - creating an External Advisory Committee (EAC) to support the development of the GBV Action Plan (not yet established).
- Formal external engagement commenced on March 8, 2022:
 - Engagements consist of five virtual roundtables based on previously identified themes that align with the pillars in Canada's National Action Plan to End Gender-Based Violence and recommendations from the National Inquiry into Missing and Murdered Indigenous Women, Girls, and Two Spirit Peoples (MMIWG), and B.C.'s Path Forward on MMIWG.
 - The sessions provide an opportunity for PS Lore and ministry staff to engage with representatives from the anti-violence sector, Indigenous partners, 2SLGBTQ+, Indigenous, Black and People of Colour, immigrants and newcomers, sex worker and disability advocates, and other experts.
 - The virtual roundtables will be held until April 8, 2022 and are facilitated by the SFU Wosk Centre for Dialogue, which will submit a What We Heard (WWH) Report in May 2022.
- The Province has not yet announced plans to convene an EAC.

DISCUSSION:

- Following the current engagements, ongoing consultation with key GBV-sector partners is a critical next step in ensuring the GBV action plan is survivor-centred, trauma-informed, culturally appropriate, and reflective of the experiences and knowledge of community-based organizations and survivors who engage with them.
- s.12; s.13 an EAC be created to help develop the GBV action plan, GEO has developed draft Terms of Reference (see Appendix A).

- PS Lore, GEO and PSSG staff consulted five key external stakeholders in December 2021 and January 2022 on the general notion of an EAC, with an understanding that they may be invited to participate if it is formalized. These organizations were:
 - Ending Violence Association B.C. (EVA BC), ^{s.13}, West Coast LEAF, B.C. Society of Transition Houses (BCSTH) and the Minister's Advisory Council on Indigenous Women (MACIW).

Role of the External Advisory Committee

- The role of the EAC would be to provide PS Lore with high-level, strategic advice and input at key touchpoints of the GBV Action Plan.
- The EAC would be asked to review the WWH Report from the current engagements and provide strategic advice on the drafting of the GBV Action Plan.
- The EAC would be composed of a diverse range of service providers, advocates and organizations representing equity-deserving communities (see Appendix B for GBV Action Plan EAC Membership Rationale).
- The work of the EAC would be time-limited and focused on advising government at key touchpoints of the GBV Action Plan drafting as outlined below.
- The EAC would not be authorized to act as final approvers for the Action Plan.
- EAC members would also be positioned as validators in any planned announcement about the release of the final Action Plan.

Forecasted Meeting* Dates and Topics:

- ^{s.13} Convene EAC for first meeting; confirm TOR; receive SFU presentation of WWH Report and provide feedback.
- ^{s.13} Present final WWH Report incorporating EAC feedback; and share draft GBV Action Plan themes.
- ^{s.13} Review and seek EAC endorsement of draft GBV Action Plan themes.
- ^{s.13}
 - Present draft GBV Action Plan and seek EAC advice.
 - Present and seek EAC endorsement of final GBV Action Plan.
- ^{s.13} If the PS wishes, members from the EAC may be engaged to meet informally, and on an ad hoc basis, over the course of the GBV Action Plan implementation.

**If PS Lore wishes, meetings may be convened in person at the Vancouver Cabinet Offices or by Zoom. A budget request below includes travel costs.*

Compensation:

- Some of the anticipated EAC members, ^{s.13} have told GEO they do not have the capacity to participate if they are not renumerated for their time and expenses.
- While some anticipated members have a contractual relationship with PSSG and would not expect to be paid to participate, providing sector wide, strategic advice on

provincial action plans is outside the purview of several agencies' individual service delivery contracts. Other organizations representing equity-deserving groups that are either not funded or feel they are under-funded by government have indicated that they would like to seek fair compensation for their time and expenses as a matter of principle.

- Ordinarily, appointees to advisory boards are not remunerated for their time beyond the reimbursement of expenses incurred in the course of their duties as members of the board. To enable the recruitment of EAC members that will allow the EAC to meet its strategic objectives referenced above, GEO requests the Deputy's permission to seek formal classification of the EAC under Treasury Board Directive 2/20 (Remuneration Guidelines for Appointees to Crown Agency Boards) by the Appointee Remuneration Committee (ARC), and ARC's approval for an exception to the Directive to provide remuneration (in the form of "meeting fees") of up to \$250 per member per meeting to appointees.
 - ARC's role is to maintain consistency and transparency across government on compensation for advisory committees and bases its decisions for an exception to provide remuneration on the following criteria: time-commitment; level of expertise required of the board members; significance of impact of the advice provided; contribution towards reconciliation with Indigenous peoples in B.C.; and gender and diversity factors.
 - PSEC Secretariat staff have advised GEO that approval to provide compensation for this committee is not guaranteed, but given the short-term nature of the committee, the importance of recruiting these individuals for the EAC to meet its strategic objectives, and a preliminary assessment of the EAC against the criteria listed above, it has reasonable likelihood of success.
 - Among other requirements, the guidelines specify that any appointee receiving remuneration in respect of their membership on an advisory committee from a source outside government shall not receive additional remuneration under the Directive. GEO will remind appointees of this requirement prior to appointment if remuneration is to be provided.
 - PSEC Secretariat staff advises that it would not be appropriate to compensate the committee through other means such as honoraria, in keeping with the Core Policy and Procedures Manual's direction that honoraria not be dependent on hours of service and the intent of the Directive to apply to appointee remuneration cases such as these.

Budget Request

- Should compensation for meeting fees and expenses be approved, GEO estimates that it would require up to \$55,000 for the EAC in fiscal 2022/23 as follows:
 - Meeting fees of up to \$25,000.
 - This calculation is based on all 17 members requesting fees to attend up to 6 meetings, though the actual cost may be significantly lower.
 - Meeting expenses of up to \$30,000.
 - This calculation is based on \$5,000 per in-person meeting to support travel costs for 7 regional-based members, parking fees for 10 Metro Vancouver-based members, and meeting refreshments.

- Note: Actual costs can be lowered significantly if all or some of the EAC meeting are held virtually (recommended).
- For FIN DM's consideration, PSSG is requesting GEO/FIN cover the costs associated with the EAC, advising it does not have base budget for this and the EAC would primarily advise PS Lore.
 - GEO is seeking approval to include these costs in its budget for 2022/23. The ministry EFO is aware will earmark a budget for this subject to Deputy Minister approval.

Next steps

- If compensation is approved, confirm recommended committee members identified on Appendix B with PS Lore and invite them to join the EAC.

OPTIONS:

Option 1: Convene an EAC in May 2022, following the completion of the external engagements and receipt of the WWH Report, to provide advice and input into the development and implementation of the GBV Action Plan. s.13

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Considerations:

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Considerations:

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Considerations:

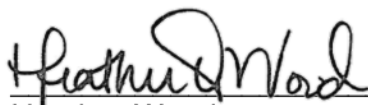
s.13

RECOMMENDATION:

Option 1: Convene an EAC in May 2022, following the completion of the external engagements and receipt of the WWH Report, to provide advice and input into the development and implementation of the GBV Action Plan. s.13

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APPROVED / NOT APPROVED



Heather Wood
Deputy Minister of Finance

April 5, 2022

Date



Doug Scott
Deputy Solicitor General

April 11, 2022

Date

**MINISTRY OF PUBLIC SAFETY AND SOLICITOR GENERAL
INFORMATION BRIEFING NOTE**

PURPOSE: For **INFORMATION** for Deputy Ministers Committee on Anti-Money Laundering

- Doug Scott, Deputy Solicitor General, Ministry of Public Safety and Solicitor General
- Cheryl May, Associate Deputy Minister, Crown Agencies Secretariat, Ministry of Finance
- Renee Mounteney, Assistant Deputy Minister, Ministry of Finance

ISSUE: Deloitte's November 2019 Report with recommendations for combatting money laundering

SUMMARY:

- "Combatting money laundering in the fight against financial crime¹" is a report written by Deloitte's anti-money laundering (AML) experts with their recommendations for developing an effective AML regime. This report constitutes part of their submissions to the Cullen Commission.
- The report states that financial crime is a public safety issue and proposes six necessary elements to create an effective financial crime-fighting framework for B.C.: Governance, Privacy, Cybersecurity, Data Analytics, Technology & Implementation, and Policy and Regulation.
- The report advises on 'quick wins' and which measures should be introduced to strengthen the AML regime and promote public safety. These measures are: strengthening the AML framework, a beneficial-ownership transparency registry, and criminal and civil enforcement.
- As financial-crime attacks continue to become more sophisticated, focusing budgets, resources, and the commitment of financial crime and compliance teams will be critical to deterring money laundering in B.C. and Canada.

BACKGROUND:

- Report contributor and AML expert, Peter Dent, was called upon as a witness by the Cullen Commission on two occasions (November 30, 2020, and March 2, 2021) for his expertise in financial crime prevention.
- Peter Dent is a Partner in the Deloitte Forensic practice with over 25 years of financial crime experience working with clients conducting internal investigations and providing advice around anti-fraud and anti-corruption compliance framework, to enhance accountability, transparency, and governance.
- He is the past-Chair of Transparency International Canada, during his time as Chair, released its first report on Canada's real estate vulnerability to being used to launder proceeds of crime, which focused on the Greater Vancouver Area.

¹ Available at: [Combatting money laundering in the fight against financial crime | Deloitte Canada](#)

- He is currently part of Transparency International Canada's Beneficial Ownership Transparency Working Group, which released its second report on Canadian real estate and money-laundering, focused on the Greater Toronto Area.

DISCUSSION:

Financial Crime and Public Safety

- Financial Crime is a public safety issue, and its organized and transnational nature means that both the criminal acts and the illicit funds generated cross provincial, territorial, and international boundaries.
- By disrupting domestic and transnational crime networks, governments and businesses can help ensure public safety and quality of life.
- There are both direct and indirect benefits of financial-crime reduction as a public policy, including: tackling the opioid epidemic, reducing gang violence, improving housing affordability, decreasing poverty, and increasing income equality.

AML Framework for B.C.

- To effectively combat money laundering, government's first step must be to establish a project management office whose objective is to develop a financial crime fighting framework guided by a governance model.
- The initial steps for this office are to:
 - Assess the current state of its financial crime framework and identify pain points.
 - Develop a future-state vision.
 - Determine what funding is required to build the future-state vision, and where it will come from.
 - Create a roadmap to reach the future-state vision and identify quick wins, prioritizing immediate activities to disrupt illicit activity.
 - Begin a cohesive, phased, and iterative approach to enhance the financial-crime-fighting framework.
- The authors propose six necessary elements for B.C. to have an effective financial crime-fighting framework.

1) Governance

- A governance model that defines the mechanisms and interaction points across the various ministries, agencies, and associated entities will ensure that the AML framework is efficient and transparent.
- A successful governance model has three crucial components:
 - Terms of reference: The supervisory body should be supported by clear terms of reference. It is critical for the supervisory body to have access to data to support the analysis and investigation of financial crimes, authority to require reporting on regulated entities, conduct assessments of the validity and accuracy of reporting, and impose penalties on non-compliant organizations.
 - Public-private partnership: Develop an integrated public-private partnership model for information and data sharing. A formalized partnership will ensure all parties have defined accountabilities, roles,

and responsibilities, and that they align their activities to a defined strategy.

- Independence, quality assurance, performance measurement, and transparency: The framework can optimize independence and quality of regulated entities by focusing on oversight, accountability, and enforcement. A framework with measurable performance and risk indicators will be critical to tracking progress of AML efforts, allow stakeholders to analyze trends, highlight and manage emerging risks, and be adaptable to evolving conditions. Finally, developing a comprehensive communication strategy will be key to inform the public of government's priorities and progress.

2) Privacy

- Varying privacy legislation amongst the different jurisdictions can be a barrier to information-sharing and analysis.
- To overcome this challenge, privacy risks should be identified, and appropriate privacy controls should be designed as part of the process.
- Engaging privacy regulators early during the development of the process to identify principles for data-sharing and ongoing alignment with legislation will be key.

3) Cybersecurity

- There are various cybersecurity models that can be used depending on how the data is collected, integrated, and analyzed.
- To protect the sensitive nature of the data involved, effective security controls must be continuously monitored and enhanced to address new threats and risks as they arise.

4) Data Analytics

- Traditional methods to monitor unusual or suspicious activity has typically been rules-based and looks at transactions in isolation, which has led to enforcement agencies being overwhelmed by red-flag alerts and false-positive results.
- Some jurisdictions (such as the United States) are moving away from rules-based systems focused on defined risk scenarios and toward a model-based approach that uses machine learning to detect suspicious behaviours across a wide range of data sources.
- Good data is valuable for public policy decisions, investigations, and enforcement; however, the data collected is often incomplete or poorly structured. Modern machine learning can be used to cleanse and mine unstructured data to be analyzed for various purposes.
- Adapting the methods for data collection and ensuring the right fields are included will improve data quality and reduce the cost of transforming data for intelligence purposes.

5) Technology Architecture and Implementation

- Technology and automation solutions can accelerate data collection, aggregation, analysis, and investigation.
- An effective technology architecture should have the following objectives: amalgamate information across various data sources, enrich and fill gaps in information, identify networks of relationships to review transactions and spot high-risk indicators, and access a unified intelligence portal that allows investigators to perform consistent analysis and maintain required standards in reporting.
- It is essential for the technology architecture to be able to handle large volumes of transactions and have a strategy to use artificial intelligence to identify patterns and effectively combat financial crimes.
- The infrastructure will require continuous management and investment to make sure the data is current, the modelling is effective, and the reporting and/or intelligence output is as valuable as possible.

6) Policy and Regulation

- Financial crime legislation and regulation in Canada is primarily federal and focuses on AML and anti-terrorist funding (ATF).
- The federal government has made commitments to expanding legislation to address gaps in the current framework and is also working to improve information sharing between the private sector, provincial agencies, federal law enforcement, and financial regulators.
- Government and regulators will need to coordinate closely with reporting entities to help them meet evolving requirements and ensure their reporting supports investigation and enforcement activities.

Quick Wins to Disrupt Illicit Activity

- Deloitte identifies three short-term actions that will help prevent the proceeds of crime from entering Canada's financial system and support public safety initiatives:
 - 1) Strengthening the AML Framework
 - The provincial government's next step is to shape its vision and create a collaborative roadmap to success, which will require input, alignment, and cooperation between various involved parties. This map should include underlying strategies and plans for each responsible ministry or agency, ensuring their activities are aligned where needed.
 - 2) Beneficial-ownership transparency
 - The introduction of B.C.'s Land Owner Transparency Act (LOTA) is a significant step towards combatting financial crime in B.C.
 - In implementing B.C.'s beneficial ownership registry, lessons should be learned from some of the challenges the United Kingdom has encountered with their own registry of People with Significant Control, where they struggle with data accuracy due to a lack of verification of information collected.

- Government should carefully consider how LOTA specifies the format in which data would be made available to the public and whether there will be fees for accessing the data.
- 3) Criminal and civil enforcement
- Investigating and prosecuting financial crimes in Canada is very resource intensive because of the transnational nature of the predicate offences.
 - Enforcement agencies in Canada do not have enough skilled resources, information, or data to successfully investigate these crimes.
 - The various governments must provide sufficient funding and infrastructure to skilled, experienced resources – who understand the link between predicate offences and the laundering of their financial proceeds – to investigate and prosecute these offences in a timely manner.

INDIGENOUS PEOPLES CONSIDERATIONS:

- Not applicable

OTHER MINISTRIES IMPACTED/CONSULTED:

- Ministry of Finance

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ATTACHMENT(S)

None

MINISTRY OF PUBLIC SAFETY AND SOLICITOR GENERAL INFORMATION BRIEFING NOTE

PURPOSE: For **INFORMATION** for Deputy Ministers Committee on Anti-Money Laundering

- Doug Scott, Deputy Solicitor General, Ministry of Public Safety and Solicitor General
- Cheryl May, Associate Deputy Minister, Crown Agencies Secretariat, Ministry of Finance
- Renee Mounteney, Assistant Deputy Minister, Ministry of Finance

ISSUE:

A 2020 Report¹ by the coalition of Transparency International Canada, Canadians for Tax Fairness, and Publish What You Pay Canada (The Coalition) providing legislative and technical options to implement a publicly accessible pan-Canadian registry of beneficial ownership.

SUMMARY:

- The Coalition believes that Canada must adopt a publicly accessible pan-Canadian registry to prevent money laundering through Canadian legal entities and arrangements by increasing beneficial ownership transparency (BOT).
- The objective of the report, "Implementing a Publicly Accessible Pan-Canadian Registry of Beneficial Ownership: Legislative and Technical Options", is to provide options on legislative and technological models to implement such a national registry.
- They make the following recommendations for consideration by public officials:
 - Examine making a beneficial ownership registry separate from existing jurisdictional corporate registries, but using complimentary information²;
 - Collect standardized beneficial ownership data across jurisdictions that follows global data collection standards;
 - Legislate a registry through the federal Proceeds of Crime (Money Laundering) and Terrorist Financing Act (PCMLTFA);
 - Work towards incorporating digital identification (a way to reliably verify that a person exists and is who they claim to be online) into the registry for data verification; and
 - Develop a registry as a centralized architecture³.

BACKGROUND:

- On the international stage, Canada is viewed to have a weak beneficial ownership regime, vulnerable to money laundering and other financial crimes.

¹ Implementing a Publicly Accessible Pan-Canadian Registry of Beneficial Ownership: Legislative and Technical Options. Accessed at: [BOT-Implementation-Report+FINAL+200819.pdf \(squarespace.com\)](https://www.squarespace.com/BOT-Implementation-Report+FINAL+200819.pdf)

² The distinction between a corporate registry and a beneficial ownership registry is that a corporate registry is intended for articles of incorporation in a jurisdiction, issuing a registration number, and maintaining a file on a company whereas a beneficial ownership registry is for updating information on ultimate corporate ownership.

³ A centralized database is a database that is located, stored, and maintained in a single location versus a distributed database in which all the information is stored on multiple physical locations.

- The three organizations of Transparency International Canada, Canadians for Tax Fairness, and Publish What You Pay Canada joined together to form The Coalition to advocate for Canada to create a publicly accessible, pan-Canadian, company registry of beneficial owners.
- On November 30, 2020, the Cullen Commission held a panel of experts from Transparency International Canada to speak on the topic of BOT and the concept of a BOT registry. This report constituted part of that panel's written submissions to the Cullen Commission.
- The author of this report is Rob Davidson, who is a Principal Consultant for Veracify. Veracify provides data strategy, analytics and storytelling consulting services for businesses, not-for-profits, and governments of all levels.
- This report was written with guidance and support from Transparency International Canada's Beneficial Ownership Working Group, which includes Peter Dent, Charlene Cieslik, and Adam Ross, anti-money laundering (AML) experts called to the Cullen Commission as witnesses.
- The federal government has begun work towards implementing a pan-Canadian registry as part of their commitment to combat money laundering and other financial crimes.
 - From February to May 2020, the federal government undertook public consultations on creating one or more publicly accessible registries that identify beneficial ownership of Canadian corporations.
 - In their annual budget for 2021, they announced the provision of \$2.1 million over two years to Innovation, Science and Economic Development Canada to build and implement a publicly accessible corporate beneficial ownership registry by 2025
 - In April 2021, the federal government also released a report of their takeaways from the public consultations on implementing a beneficial ownership registry with many of the findings aligning with Transparency International Canada's recommendations.
 - On March 22, 2022, the federal government announced they are accelerating their timeline to implement a publicly accessible beneficial ownership by the end of 2023.
- On a provincial level, B.C. has also taken steps to deter money laundering and increase BOT, such as:
 - Introducing legislation in March 2021 to establish B.C. Financial Service Authority as the single regulator for financial services, including real estate, to help streamline and unify regulation of the sector,
 - Requiring businesses to keep transparency registers in their corporate records,
 - Reviewing the results of consultations to update and modernize the *Mortgage Brokers Act* and to increase BOT for B.C. companies,
 - Reviewing the results of consultations to potentially create a regulatory framework for money services businesses, and
 - Establishing the new Land Owner Transparency Registry for real estate to help end hidden ownership of land in British Columbia.

DISCUSSION:

A Pan-Canadian Beneficial Ownership Registry

- The ability to obscure a company's beneficial ownership information through a variety of legal arrangements can make them vulnerable to misuse for financial crime.
- These vulnerabilities can be taken advantage of by illicit actors to create complex ownership structures that make it challenging for law enforcement and tax authorities to obtain the information necessary to investigate illegal activities.
- A pan-Canadian publicly accessible beneficial ownership registry will serve as a powerful tool to combat money laundering by helping to deter, detect, investigate, and prosecute financial crimes.
- The high-level objectives for such a national registry are:
 - Provide a preventative framework that discourages the flow of illegal funds through Canada's financial system and companies.
 - Identify and enforce against money laundering through Canadian companies.
- The challenges lie in implementing a solution that conforms to Canadian individual privacy rights, federal-provincial-territorial (FPT) rules and regulatory differences, cost and resource constraints, and concerns about the impacts of a beneficial ownership registry on legitimate investment and business creation.
- The framework under Canada's current BOT strategy suffers from a lack of a centralized database for identifying possible money laundering activities and the insufficient human and financial resources dedicated to investigating financial crimes.
- The availability of timely and accurate data on the beneficial owners of companies is critical for allowing law enforcement and other authorities to identify who may be implicated in suspicious activities. This is important because money launderers can only be convicted of money laundering if it is linked to a predicate offence.
- The Coalition recommends that policy makers assess the possibility of implementing a beneficial ownership registry that is separate, centralized, pan-Canadian and focused only on beneficial ownership requirements (not an extension to existing FPT corporate registries). This will address concerns from provincial and territorial governments about losing control of their respective corporate registries.

Examples of Other Centralized Registries

- An example of a centralized publicly accessible beneficial ownership registry is the United Kingdom's People with Significant Control (PSC) Register. The Coalition believes that Canada should look to this example to learn from the PSC's mistakes and shortcomings and build a partnership with Companies House, who manages the PSC, to transfer knowledge, build relationships, and share technology.
- A third-party review of the PSC identified several gaps to improve the effectiveness of the registry, such as:
 - Mandate and resource the PSC to verify submitted beneficial ownership data and sanction non-compliance

- Develop the capability to identify and investigate suspicious activity revealed through analyzing the data, in coordination with other relevant government departments
- Regulatory and legislative loopholes that enable companies to file questionable beneficial ownership statements should be closed
- There is an existing precedence for a stand-alone central registry in Canada, as money services businesses (MSBs) were identified as a potential method of money laundering and a MSB central registry came into force on June 1, 2021, as part of FINTRAC's legislative authorities under the PCMLTFA.

Legislative Framework

- The report identifies the federal government must make additional amendments to the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (PCMLTFA), like the MSB revisions, to enable the appropriate legislation to implement a centralized registry.
- The federal Personal Information Protection and Electronic Documents Act (PIPEDA) must also be reviewed and revised to clarify all privacy aspects of the PCMLTFA.

Technical Options

- The report recommends the adoption of digital identification as a method of using trusted custodians of information (e.g., governments and trusted networks) to reliably and securely verify a person exists and is who they claim to be online. Using digital identification will help to ensure the veracity of company information in the registry.
- Using cloud computing would make it easier and more effective for the FPT governments to have access to the centralized registry. A cloud-based registry can be designed to allow every stakeholder appropriate access to data from registered companies. Cloud solutions can provide the most advanced and hardened cybersecurity technology and practices and can enable rapid response to emerging cyber threats.
- Coordinating data collection among the FPT jurisdictions is cited to be another challenge to overcome. To align beneficial ownership data across the FPT jurisdictions, The Coalition recommends the use of standardized data collection and the adoption of Open Ownership's Beneficial Ownership Data Standard (BODS) which will simplify and future-proof the data collected. B.C.'s Land Ownership Transparency Registry does not currently use BODS.

Solution Architecture

- The report sets out two options for architecture solutions for implementing this national registry: a distributed architecture and a centralized architecture
 - A distributed architecture⁴ would have the provinces and territories independently collect beneficial ownership data and then provide the data to a central repository

⁴ The report offers an illustration of the architecture design on p.19 and possible policy implications for B.C. with this model.

- A centralized architecture⁵ would create a single portal that all jurisdictions can be a part of on their own timeline and have businesses directly report beneficial ownership data to.
- The report recommends the adoption of a centralized architecture for the following advantages:
 - Lower development and maintenance costs. A central registry means that a single framework can be implemented for the country and costs can be shared between jurisdictions.
 - It is easier to manage the quality of data because it is being collected under a single portal.
 - Businesses inputting data directly to the portal reduces cybersecurity risks because it would minimize data transfer.

Transparency International Canada's Panel for the Cullen Commission

- On November 30, 2020, a panel of members from Transparency International Canada was called to the Cullen Commission as witnesses to speak on beneficial ownership transparency⁶.
- The panel had expressed that in relation to international standards, Canada has fallen behind on addressing beneficial ownership transparency and has developed a reputation for being vulnerable to financial crimes.
- The panel also commented on the challenges around the current state of company beneficial ownership in B.C. (as of November 30, 2020), expressing the following issues⁷:
 - While B.C. requires private companies to list their beneficial owners at a transparency register at the company's corporate records office, it is not publicly accessible and therefore not transparent. Government agencies and regulators trying to gather that information would have to make a request with that company for access. In effect, law enforcement agencies making this request would inform the subject of the investigation they were being investigated.
 - There is no formal verification process in place to ensure the company beneficial ownership information is accurate, and government has no means of enforcing compliance around maintaining the currency of the data in corporate registration.
 - The Land Owner Transparency Act and registry is merely a first step towards recording beneficial ownership because it is specifically focused on real estate transactions and not around private company data.
- On the Open Company Data Index, a measure of how open and accessible company data is in every jurisdiction in the world, B.C. scored 0 out of a possible

⁵ The report offers an illustration of the architecture design on p.21 and possible policy implications for B.C. with this model.

⁶ Transcript of November 30, 2020, Cullen Commission hearing. Accessed at:
<https://cullencommission.ca/data/transcripts/Transcript%20November%2030,%202020.pdf>

⁷ Ibid, p. 42-51

100 points. For context, Canada scored 16/100 and the EU averages in the 20s⁸.

RECOMMENDATION:

- It is recommended the provincial government examine the recommendations included in The Coalition's report.
- The recommendations provide direction towards an effective implementation of a publicly accessible pan-Canadian beneficial ownership registry. One with an emphasis towards reliable and usable data, uniform data collection across provinces and territories, lower cost of development and maintenance, and allows provinces and territories the ability to maintain their own corporate registries.

INDIGENOUS PEOPLES CONSIDERATIONS:

- Not applicable

OTHER MINISTRIES IMPACTED/CONSULTED:

- Ministry of Finance

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ATTACHMENT(S):

- None

⁸ Ibid, p. 63-64

**MINISTRY OF PUBLIC SAFETY AND SOLICITOR GENERAL
POLICING AND SECURITY BRANCH
INFORMATION BRIEFING NOTE**

PURPOSE: For **INFORMATION** for Doug Scott,
Deputy Solicitor General, Ministry of Public Safety and Solicitor General.

ISSUE: Civil Disobedience Work Plan

SUMMARY:

- The Ministry of Public Safety and Solicitor General (PSSG) plays a key role in the response and management of civil disobedience, especially through the Policing and Security Branch (PSB). PSB oversees the Critical Incident Secretariat (CIS) which provides situational awareness regarding protests pertaining to the natural resources sector. PSB is also involved in regular and ongoing engagement with police of jurisdiction (POJs), regular and ongoing briefings to senior officials, and several working groups and committees related to the management of civil disobedience in relation to a variety of causes.
- Over the course of several protests related to the natural resources sector and in opposition to COVID-19 mandates, there have been some lessons learned and with current management of civil disobedience that provide an opportunity for PSB to improve this work on an internal and potentially cross-government basis.

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- The proposed work plan is contemplated in two distinct but related phases. First, the development of a future model will begin with intra-ministry work led by PSB in conjunction with PSSG colleagues. The second concurrent phase will examine the broader context with PSSG playing a coordinating role with other affected ministries including those who manage projects that attract civil disobedience s.13; s.16

s.13; s.16

s.13; s.16 This work will inform future strategy development through an examination of lessons learned and the development of best practices.

- The intra-ministry work will include:
 - Gap analysis - Some of these gaps can be further explored and addressed internally through a PSSG working group led by PSB in collaboration with other PSSG divisions or teams that play, or could have a key role, in managing protests, and in consultation with law enforcement stakeholders.

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s.12; s.13

Further

- possible linkages to PPSM are identified in the Discussion below.
- The deliverable for the internal work is anticipated to be a series of policy options that aligns as much as possible in terms of format and timeline with the anticipated work under the PPSM.
- The broader cross government phase will include:
 - PSB playing a coordination role – bringing together stakeholders from all affected ministries at both a working group and executive level to ensure a whole of government response. This is needed for an effective plan as this issue is much broader than enforcement.
 - Purpose of this work is to identify all gaps and opportunities in a coordinated fashion. s.12; s.13
- s.12; s.13

- Work is already underway s.15; s.19
s.15; s.19 They have designed the attached work plan and are conducting preliminary analysis and planning. s.13; s.15; s.16
s.13; s.15; s.16

- The purpose of this note is to summarize current activities PSB is engaged in to address civil disobedience and to seek approval at an executive level for a work plan focused on collaborating with internal and external government partners to develop policy options for management of civil disobedience moving forward. Cross-ministry buy-in at an executive level is a necessary pre-cursor to moving the broader plan forward.

BACKGROUND:

- Protests across the province are multi-dimensional in all aspects, including motivation, location, scope, and impact. One commonality that has become evident over the past few years is that they are an ongoing fixture of day-to-day life in BC that impact stakeholders at all levels of government, private industry, and civil society. It has a disproportionate impact on police as it requires them to divert precious resources away from other public safety pressures. Police leaders have

repeatedly raised concerns about the financial impacts arising from responses to sustained protests. They are broader than simply a law enforcement issue and require an equally broad approach to manage them effectively.

- Government, law enforcement, and the justice system recognize that all Canadians have the right to peaceful protest. However, the magnitude and frequency of protests that have exceeded the boundaries of this right and interfere with public safety, private enterprise, government operations, and civil society have demonstrated that the current tools to deal with this issue are insufficiently robust.

s.13

s.13

s.13; s.16

s.13; s.16

Current Work at PSB:

- Currently, PSB primarily provides situational awareness on civil disobedience via CIS, which is funded and operated by PSSG and has a contracted resource who maintains ongoing situational awareness throughout the province about important files, s.13

s.13; s.16; s.17

s.13; s.13; s.16

s.13; s.16

- s.13; s.15; s.16

- PSB has recently hired s.15; s.19
s.15; s.19

The purpose of this position is to manage current situational awareness processes and undertake all tasks related to the development and coordination of work regarding the future management of civil disobedience. Further resources may be required depending on the desired scope of the project.

DISCUSSION:

- s.13

Page 21 of 35

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s.12 ; s.13 ; s.15 ; s.16

Page 22 of 35

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s.12 ; s.13 ; s.14 ; s.15

s.13

INDIGENOUS PEOPLES CONSIDERATIONS:

- There are many Indigenous governments, Hereditary Chiefs, and other partners with a diverse range of involvement and interests regarding issues that can become the subject of protests. It is important to consider these partners and their interests when developing strategies to address civil disobedience in a culturally safe and respectful way, including consultation consistent with DRIPA, and to ensure that these strategies are aligned with reconciliation commitments.

OTHER MINISTRIES IMPACTED/CONSULTED:

- s.16 – Impacted

PREPARED BY:

s.15; s.19

APPROVED March 25, 2022, BY:

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Executive Director
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APPROVED April 1, 2022 BY:

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APPROVED April 11, 2022 BY:

s.15; s.19

ATTACHMENT(S):

- Attachment 1: Civil Disobedience Work Plan – Proposed Key Elements

Page 24 of 35 to/à Page 25 of 35

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s.12 ; s.13 ; s.15 ; s.16 ; s.19 ; s.22

Page 26 of 35 to/à Page 27 of 35

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s.13 ; s.15 ; s.16

Page 28 of 35 to/à Page 30 of 35

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s.12 ; s.13 ; s.15

Briefing Note

What: Rise of Gang Violence in British Columbia

Executive Summary:

Since the 1990's, the rates of gang homicides and gang shootings have fluctuated due to a myriad of factors. The province has seen periods of heightened violence in each of the decades since that time.

The cyclical nature of gang violence requires a multi-agency approach that works to divert people from gang life, enhance the ability of law enforcement agencies and communities to respond to gang activities and remove illegal guns and gang members from communities to enhance community safety.

The Policing and Security Branch (PSB), continues to ensure adequate and effective policing through ongoing oversight and accountability frameworks for all existing investments into policing and serious and organized crime.

Background:

British Columbia has always had a unique and changing gang landscape. The province has observed frequently changing gang dynamics, with new alliances forming between previously unaffiliated crime groups. There has also been an increase in mobility of gangs across British Columbia, Canada and internationally.

One of the main drivers of this violence is power struggles for control of the illegal drug market. Police data indicates that starting in 2020, British Columbia has experienced a significant increase in gang homicides, attempted homicides, and shootings. The violence is, in part, attributed to a conflict between 3 major organized crime groups within the province. This ongoing conflict within and between organized crime groups—often referred to now as the Lower Mainland Gang Conflict (LMDGC)—has led to numerous brazen public shootings that have resulted in the deaths and injuries of numerous victims and bystanders.

The attached chart (see Appendix A) provides a yearly breakdown of all gang-nexus homicides and attempted homicides in British Columbia, as well as homicides and attempted homicides directly related to the LMDGC. As shown in this chart, while gang violence in British Columbia has continued to ebb and flow throughout the past 5 years, gangs involved in the ongoing LMDGC represent only one of numerous factors impacting these fluctuations.

The Province has made significant investments into enhanced and specialized enforcement initiatives related to guns, gangs, and illicit drug trafficking across British Columbia. Much of this funding has been delegated to the Combined Forces Special Enforcement Unit-BC (CFSEU-BC) and the Organized Crime Agency of BC (OCABC), the province's anti-gang agency. Overall

BRIEFING NOTE

Rise of Gang Violence in BC



funding in this area for fiscal 2021/22 was approximately \$92.10 million (provincial portion of \$59.37 million and a federal portion of \$32.73 million).

As the Province's anti-gang unit, the Combined Forces Special Enforcement Unit of BC (CFSEU-BC) has a specific mandate to disrupt and suppress organized crime in British Columbia. To achieve this mandate, the agency employs a multifaceted approach that leverages proactive enforcement, gang suppression, targeted disruption, as well as prevention and intervention programming for gang members.

CFSEU-BC's role is to lead the province wide-response to gang violence including incidents that are not directly associated with the LMDGC. They do so by leading investigations with a direct nexus to gang activity or engaging in joint forces operations with police of jurisdiction and specialized teams including the Integrated Homicide Investigation Team. To ensure law enforcement is targeting the highest risk groups and individuals across BC, CFSEU-BC coordinates target selection and funding allocation for the Provincial Tactical Enforcement Priorities (PTEP) Program under the supervision of the Policing and Security Branch (PSB).

Although the LMDGC has been a significant contributor to gang-related violence in British Columbia, it is not the sole contributor to the violence. Gang-related violence also continues to spur from other prominent gang-related activities including both high-level and low-level drug trafficking groups.

Recommendations:

Combatting gangs and the upper echelon of organized crime across British Columbia remains a critical priority, and PSB has enacted numerous initiatives and strategies to stem the recent violence within the serious and organized crime landscape. These strategies leverage key law enforcement experts and partners to ensure that all operational approaches to combatting organized crime are proactive, strategic, and intelligence based.

The Director of Police Services, and by extension PSB, continues to ensure adequate and effective policing by maintaining active oversight over existing investments into policing and serious and organized crime. The ongoing efforts of law enforcement, government, and community stakeholders will remain critical to mitigating and preventing the impacts of the current wave of serious and organized crime violence. As we work together to maintain a unified and strategic approach, PSB will continue to ensure that all investments into serious and organized crime achieve anticipated impacts and that all stakeholders remain accountable.

Page 33 of 35

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s.15

BRIEFING NOTE

What: *Financial readiness of local governments to pay the RCMP's Collective Agreement retroactive payments.*

Executive Summary:

- The Contract Management Committee (CMC) and Local Government Contract Management Committee (LGCMC) have received updates from the federal government on the status of the RCMP labour relations regime as information became known/available at their bi-annual meetings.
- Ministry staff have assisted UBCM in drafting regular communication updates on the status of RCMP labour relations throughout the process with numerous articles published in UBCMs COMPASS (an online communications portal accessible to all local governments).
- Local governments, through the Federation of Canadian Municipalities (FCM) and UBCM, have written to the federal government over the past several years highlighting the potential impacts of large one-time compensation increases resulting from the collective bargaining and seeking financial assistance from the federal government to absorb all retroactive costs.
- Each local government is unique in its financial situation which directly impacts their ability to cover forecasted retroactive and ongoing wage increases associated with the Agreement.

Background:

- On December 31, 2016, the RCMP's most recent pay package expired.
- On June 28, 2021, Federal Treasury Board (the employer) and the National Police Federation (NPF) Board, the bargaining unit representing RCMP Members, endorsed a tentative Agreement, following 23 months of bargaining.
- On August 6, 2021, RCMP reservists and Regular Members below the rank of Inspector ratified their first Agreement. The Agreement covers a six (6) year period, beginning on April 1, 2017, and includes a significant base salary increase for RCMP members.
- This pay package expires March 31, 2023. Issues not included in this first Agreement, such as member health and safety concerns, minimum staffing levels and other items with potentially significant financial impacts, in addition to any further wage increases are expected to be addressed in the next Agreement.
- On March 1st, 2022, all local governments that contract for RCMP municipal police services received an email from Public Safety Canada (PSC) providing a high and low range of cost projections including costing methodology associated with the retro active amounts of the new Agreement. The cost range was intended to assist municipal governments with financial planning, and it is important to note that the correspondence does not represent an invoice.
- Invoices with actual costs are expected to be sent early June/July 2022.
- On March 30, 2022, Provinces and Territories were notified by PSC of salary increases for Commissioned Officers (rank of Inspector and above), who are not represented or included

BRIEFING NOTE

in the Agreement between Federal Treasury Board and the NPF. The additional impacts of this pay increase have yet to be determined and communicated to local governments.

Municipal Financial Impacts

- 65 municipalities are impacted by the Agreement wage increase and retro payments as well as YVR Airport Authority (YVR paying at 100 per cent).
- From April 1, 2017, onwards RCMP “E” Division included an estimated pay increase of 2.5 per cent per year in the Multi-Year Financial Plan (MYFP) provided to municipalities for RCMP members as directed by RCMP National Headquarters.
- The MYFP also included language stating that while a provision for retroactive pay has not been included in the estimates, budget savings should be accrued to future periods in preparation of when a new package will be finalised, and retroactive pay is realized. The MYFP was also clear that the included pay raise estimates of 2.5 per cent was not based on final negotiations and does not necessarily represent amounts requested or proposed.
- The Ministry has no authority to direct municipalities to set aside money for the anticipated Agreement impacts.
- Total retroactive impacts to municipalities (excluding YVR) are estimated at \$145.62 million to \$138.57 million (high – low range). This does not include impacts from 2021/22 to 22/23.
- The highest individual estimated amount is at \$32.007 million for Surrey with an estimated lowest of \$0.092 million for Armstrong.
- **7.80 per cent is the total difference** between the final settlement increase of 23.77 per cent compounded and the forecasted 15.97 per cent (2.5 per cent compounded annually).

Municipal Government Feedback

- On April 7, 2022, Ministry staff met with five of eight LGCMC members regarding the financial impacts of the collective agreement (“Agreement”) and the ability of local governments to pay the forecasted retroactive amounts.
- LGCMC members advised Ministry staff that each local government is in a different financial situation, which will differentially impact their ability to cover the associated costs.
- While some local governments are able to pay a portion (or all) of the retroactive costs, municipalities noted that these costs are affecting their ability to provide other essential services and address infrastructure needs.
- Some municipalities stated increases in property taxes will be required to pay the funding shortfall between the forecasted 2.5 per cent and the final Agreement on top of the necessary increase to the RCMP base budget amounts needed for the new wage rates going forward.
- Local governments are feeling financial pressures which are not isolated to the Agreement. The cost of policing is continually increasing – not only frontline, but accommodations, and equipment. Municipalities’ ability to pay the wage increase cannot be viewed in isolation but must be considered as part of the larger cost of policing spectrum.