HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

Standing Committee on Foreign Affairs and International Development

FAAE • NUMBER 027 • 1st SESSION • 42nd PARLIAMENT

EVIDENCE

Wednesday, October 19, 2016

Chair

The Honourable Robert Nault

Standing Committee on Foreign Affairs and International Development

Wednesday, October 19, 2016

● (1535)

[*English*]

The Chair (Hon. Robert Nault (Kenora, Lib.)): Colleagues, we'll bring this meeting to order, pursuant to the order of reference of Thursday, April 14, 2016, and section 20 of the Freezing Assets of Corrupt Foreign Officials Act, a statutory review of this act.

This afternoon we're going to hear from two witnesses: one in person and one via video. I'd like to introduce the two individuals. The first is Andrea Charron, assistant professor, University of Manitoba, and director of the Centre for Security, Intelligence and Defence Studies at Carleton University. Welcome to you. By videoconference, we have the honourable Sue Eckert, adjunct senior fellow, Center for a New American Security. Welcome to you as well.

I assume we'll start with Madame Charron. We'll do the two presentations in a row and then we'll go to questions.

Dr. Andrea Charron (Assistant Professor, University of Manitoba, and Director of the Centre for Security Intelligence and Defence Studies, Carleton University, As an Individual): Thank you.

[*Translation*]

Thank you so much for inviting me to appear before you today.

[*English*]

My comments are focused on Canada's use of sanctions since 1990 and highlight issues with Canada's sanctioning practices. Canada's rate of application of sanctions has been high since the 1990s as a result of a very active UN Security Council and Canada's obligation to give effect to those measures. Of late, however, Canada's sanctions have been imposed by choice rather than by obligation, and have been applied to demonstrate that it is a good ally to the European Union, the U.S., and others, rather than by requirement of international law.

The committee's focus on just the Special Economic Measures Act and the Freezing Assets of Corrupt Foreign Officials Act is limited, in my opinion. On one hand, I appreciate what an enormous topic this is, but on the other, we risk missing the big picture that is the panoply of sanctions measures.

In 40 cases since 1990, Canadian sanctions have been applied, but the overwhelming majority of them— 34 cases or 85% of them— involve application of the United Nations Act and not the SEMA or the FACFOA. Indeed, there have been only 10 cases involving the SEMA, of which four also involved the UN Act, one involved the Area Control List, and one involved the FACFOA. Only four cases involved the SEMA alone, those against Haiti, Russia, Syria, and Zimbabwe; and only three cases involved the FACFOA, those against Tunisia, Egypt, and Ukraine, of which the latter is also subject to the SEMA.

Now let's consider this list. Haiti was one of the poorest countries in the world when comprehensive sanctions were mandated by the UN, making the lives of Haitians worse, not better. The U.S. military intervention is what compelled the military junta to relinquish control. In the cases of the current measures against Russia, Syria, and Zimbabwe, Canada's sanctions do not enter into the policy calculations of the leaders of these states, nor would more stringent Canadian sanctions. The unintended consequences of more punishing measures would only harm innocent civilians. Likewise, if we consider Tunisia, Egypt, and Ukraine, subject to the FACFOA, there are very few foreign assets in Canada to seize. As Canada does not have extraterritorial reach, all assets to be seized must have a Canadian connection.

The problem, therefore, is not with the acts individually but with multiple standing acts of legislation being applied concurrently. Layering sanctions measures does not make the sanctions more effective or more compelling but rather shifts more of the burden onto Canadian banks and businesses to ensure that Canada's sanction measures are given effect.

Twenty-two of Canada's 40 cases are still active today, including sanctions against Somalia, first applied in 1992. Eleven of the 22 are UN-only sanctions. The other 11 are a combination of UN- and ally-led or ally-only measures. All sanctions until 2006 were UN-led. Belarus, subject to the Area Control List in 2006, started a trend of sanctioning in support of allies. Burma and Zimbabwe quickly followed. Today four cases require the UNA and the SEMA in support of the U.S. and EU, those cases against North Korea, Iran, Libya, and South Sudan; three use the SEMA to support U.S. and EU sanctions against Russia, Syria, and Ukraine; and one supports EU sanctions against Tunisia using the FACFOA. Of course, application of the FACFOA is driven by a foreign country and not by Canada.

This means that, in the case of the SEMA, Canada is picking and choosing not only which cases but with which allies to partner. Surprisingly, Canada has never sanctioned with just the U.S. since 1990. It prefers to sanction, it would seem, with a minimum of 28 other states. This does not mean, however, that Canada has matched all EU sanctions automatically. For example, the EU has sanctions in place against Guinea, and it had measures against individuals from Moldova, but Canada did not follow suit. Nor does Canada necessarily lift sanctions at the same time its allies do. All sanctions against Liberia and Côte d'Ivoire required by the UN Security Council were dropped in the spring of 2016, and yet Canada hasn't created new regulations to lift its measures.

● (1540)

This tendency to layer sanctions complicates compliance with sanctions considerably. Seven Canadian cases require two or more of Canada's five standing acts to deal with sanctions. Of course, this doesn't include the 28 cases that have or have had travel bans, which require invocation of the Immigration and Refugee Protection Act. The acts have different penalties for non-compliance and different definitions for the measures applied, such as the definition for the seizure of “property”. For businesses, it is a constant battle to understand what measures are in effect. This resulted in a company in Red Deer, Alberta paying $90,000 in fines, in 2014, for $15 worth of O-rings.

Given the tendency toward layering sanctions and making compliance even more complicated, Canadian companies and banks have three options.

The first is to spend an enormous amount of money to ensure compliance, which means that the sanctions become a penalty for the company or the bank.

The second option is to factor in paying the fines for inadvertent sanctions-busting as a cost of business, which means that costs for goods and services increase for consumers.

The third is to stop doing business altogether with the state in question, which means that sanctions become far more coercive than originally intended.

The Canadian government potentially has carte blanche in terms of the measures it can enact and the stances it can take. Of course, taking executive action is the prerogative of elected governments, but I would like to highlight six concerns with Canada's sanctioning practices.

First, the unintended consequences of sanctions, especially when layered, can ensnare innocent civilians like Mr. Abdelrazik.

Second is the cost downloaded onto banks and businesses to comply with the number of rules and regulations.

Third, there is a difficulty tracking Canada's current sanctions. One must drill down to access many different regulations on many different sites. Canada's reference to all sanctions as “economic” is also misleading.

Fourth, there are different penalties and definitions, such as for “property”, across the legislation for various sanctions.

Fifth, there is a considerable time lag between the decision to apply or lift sanctions and the necessary Canadian regulations coming into effect.

Sixth is the tendency of Canada to treat sanctions as a tool of compellence and apply more measures. Canada's measures are, at best, a signal of Canada's desire to support collective security and its allies.

This concludes my opening statement, and I look forward to your questions.

The Chair: Thank you very much, Professor Charron.

Now we'll go to Ms. Eckert.

Ms. Sue Eckert (Adjunct Senior Fellow, Center for a New American Security, As an Individual): Good afternoon. Mr. Chairman and members of the committee, thank you very much for the invitation to participate in your review of sanctions legislation. I'm very sorry that I'm unable to join you in person, but I appreciate the opportunity to discuss sanctions legislation with you.

Given the time constraints, I don't have a statement now, but will be happy to provide my comments and also a statement for the record.

Just on a personal note before I begin, I'm particularly pleased to be addressing this standing committee of the House of Commons because my first and most formative job was as a young staffer on the House foreign affairs committee of the U.S. House of Representatives addressing some of these very issues. I was considerably younger then, but some of the issues still apply.

Mr. Chairman, let me focus my remarks on three aspects of UN sanctions. I think Professor Charron did a good job addressing the Canadian sanctions situation. I want to talk a little bit about UN sanctions. I'm talking about three particular aspects. One is the question of the effectiveness of UN measures, and this is the perennial question of whether sanctions work. The second is the unintended consequences of even targeted measures; all UN sanctions since 1994 have indeed been targeted. The third is the importance of national implementation measures, and this is from the perspective of legal, administrative, and private sector compliance.

My comments don't necessarily reflect those of the Center for a New American Security but do very much address the range of experience I've had in the congressional and legislative branches and more than 15 years at the Watson Institute, where I worked very closely with the Canadian government at times on various sanctions projects.

First, with regard to sanctions effectiveness, earlier this year the result of the targeted sanctions consortium—and this is a multi-year, international research consortium in which Professor Charron participated—released the results of its quite significant assessment of the impact and effectiveness of UN sanctions. Now assessing whether or not sanctions are effective depends on how you define the objectives.

The most popular discussion of sanctions focuses solely on the issue of whether they are effective in changing behaviour, but it's important to distinguish between multiple purposes of sanctions if you're going to assess the effectiveness. The first, of course, is to coerce a change in behaviour, and that's the most commonly assumed reason for sanctions. The second, though, is to constrain activities of individuals or groups and their access to central resources, such as finance, arms, dual-use technology, and people. You can imagine a situation here where al Qaeda or ISIL is not necessarily deterred or coerced by sanctions, but it is indeed important for us to limit the resources that they could use. The third purpose of sanctions is to signal a violation of an international norm and stigmatize the targeted individual.

There are other innovations of the targeted sanctions consortium as well, and one of them is breaking down sanctions into episodes. As Professor Charron noted, in Somalia we've had more than 20 years of UN sanctions, but they have changed over time, so it's important to assess what the different purposes are and how they change.

Let me just give you a brief overview of UN sanctions. They were judged to be effective overall in 22% of the episodes, but what's far more interesting, I think, is that sanctions to constrain and to signal were nearly three times more effective than those cohesive measures. So 27% for signalling and constraining versus 10% for coercing. I think it's important to keep the purpose in mind when you're designing sanctions and to try to take stock of those purposes when you're designing them.

Other important findings of the research include the fact that sanctions are never used in isolation. Sometimes it's referred to as between war and words, but they're almost always accompanied—97% of the time—with other measures. This could be diplomacy, it could be mediation, and it's often used with peacekeeping in the context of UN sanctions in 62%, or the use of force in 62% as well. And sanctions are most effective when they are used in combination. The most effective combination tends to be asset freezes, travel bans, and arms embargoes, and those are the three that are employed most commonly together.

● (1545)

The other interesting aspect is commodity sanctions, which are used primarily in armed conflict and tend to have a high effectiveness.

The second issue that I wanted to talk about is the unintended consequences of sanctions. As you know, targeted sanctions were developed as a reaction to the humanitarian cost of economic sanctions imposed against Iraq. There was a trend and, as I said, since 1994 all UN sanctions have been targeted. However, even as they are targeted, there are unintended consequences.

First, there were concerns about human rights and due process. This is because the UN has designations. For individuals who may be inappropriately or erroneously listed, is there the ability to get off the list? There is lack of judicial review, but over a period of time the Security Council adopted an innovative system of creating an ombudsperson for the al Qaida sanctions committee to review the designation, to which those individuals who are listed can apply for reconsideration. This is an important issue for Canada because a Canadian jurist pioneered and established the procedures, Judge Kimberly Prost.

Second is something I think that Professor Charron alluded to, and that is the broader effect that sanctions have than what's called for in the sanctions themselves, which is over-compliance. This is for lack of understanding of the complicated measures. It's for uncertainty, especially with the multiple layering of regional and unilateral sanctions. Once sanctions are imposed in a country, they have a dissuasive effect on compliance of individual firms.

Third is the de-risking issue. This has been particularly important and pronounced most recently, and that is financial institutions perceiving high-risk customers being correspondent banks, money service businesses, non-profit organizations, and charities, etc. They close accounts, delay wire transfers, etc., but it's had a very chilling effect on the ability to provide humanitarian assistance. There is a report out from the UN—it was leaked, actually—on how sanctions are severely impacting humanitarian assistance to Syria. I'm currently involved in a Gates Foundation study of non-profits and the effect of sanctions, anti-money laundering, and terrorist financing provisions on financial access.

Fourth is a focus on implementation. I think this is particularly important because the UN Security Council can pass measures, but the governments don't actually implement them; the private sector does. Governments can't freeze assets. There was an effort last year, when five member states came together and provided a series of recommendations. It is called the High Level Review of UN Sanctions, and is focused on implementation and not whether or not we're going to have sanctions on Syria—because of Security Council politics, we don't—but once the Security Council makes a decision, it needs to be implemented up and down the line within the UN and especially member states.

This is very important because imposing and removing sanctions is absolutely critical to their effectiveness. Co-operation with the private sector is critical to implementation of sanctions. We've seen a growing need to deal with the private sector to find ways to collaborate on making the sanctions more effective, making the purpose of the sanctions clear, helping to provide the guidance about how to implement the sanctions, and talking about impact or mitigating unintended consequences.

The last point I would just make with regard to implementation is there is a significant need for capacity-building assistance. Many countries don't have the capacity to implement sanctions, and that lessens their effectiveness. One of the recommendations that came out last year was to focus on building capacity in member states. The Canadian government has supported this in the past.

In conclusion, Mr. Chairman, Canada has a very proud history of leadership and innovations in UN sanctions.

● (1550)

Ambassador Fowler was a path-breaker in terms of being chair of the Security Council committee dealing with Angola. Judge Prost has really championed the issue of due process and the rights of individuals, and Canada has been known for being a strong supporter of effective and implementable sanctions.

I commend you for this review. I hope you'll consider the entire range of sanctions in your review and help make national implementation more effective. I would be pleased to assist the committee in any way possible and would be pleased to respond to any questions.

Thank you.

The Chair: Thank you, Ms. Eckert. That was very well put by both witnesses.

As usual, we're going to go right to questions, because I think it's important for the members to drill down into some of the areas that they have some interest in.

We're going to start with Mr. Kent.

Hon. Peter Kent (Thornhill, CPC): Thank you, Chair, and thank you to both of you for appearing here today. As you know, we're in the very early stages of this study.

There was some troubling testimony on our first day of witnesses on Monday when officials of Foreign Affairs, and the RCMP, and the Superintendent of Financial Institutions indicated there were some significant gaps in Canada's ability under the two pieces of legislation that are the direct focus of this study, SIMA and the Freezing Assets of Corrupt Foreign Officials Act. There was also an indication of interdepartmental dysfunction in terms of how different departments might interpret and enforce these acts.

We noted, for example, in the Freezing Assets of Corrupt Foreign Officials Act that there are 10 definitions of a politically exposed foreign person, but that seems somewhat anachronistic and outdated because some of the most corrupt individuals, for example, in the current government of Russia, are individuals who wouldn't fit any of those designations. Some of them are jailers, some of them are police officers, who we know have accumulated vast amounts of money, much of which they have been trying to move around the world to safe deposit areas, amounts of money far in excess of what would appear appropriate for their lifetime earnings under their current job descriptions.

I was asking specifically about the case of Vitaly Malkin, who for 20 years tried to get into Canada, was denied successively by Immigration, was interviewed deeply by CSIS, and is widely known. There is a huge file of credible evidence on his money laundering, on his embezzlement of UN aid funds, of his trade in conflict diamonds, and profits from organized crime.

Eventually, because a citizenship judge overturned the Immigration Canada interviewing officer's ruling that he was inadmissible, he was allowed into Canada. He has made tens of millions of dollars of investments into property in Canada. He has still been denied citizenship and has since returned to the Soviet Union where he would now be considered a member of one of those 10 definitions on the Freezing Assets of Corrupt Foreign Officials Act.

I'm wondering if you could offer your observations, and very often from the academic community we get straighter answers than we do with the officials of many of the departments responsible for enforcement of this act.

● (1555)

Dr. Andrea Charron: The issue with the FACFOA, of course, is that it's not up to Canada to impose. It says under article 4, “If a foreign state, in writing, asserts to the Government of Canada that a person has misappropriated property,” then Canada can take steps. It has to come from the outside. Unless Russia is saying, please, get.... which is not going to happen, so the FACFOA is not an issue.

In terms of the 10 categories, let's say Eritrea says it wants to get these guys and grab their assets, I think the reason why we have these 10 categories, this list, is so we're not going after the innocent janitor or teacher, we're going at the elite who have the capacity to make decisions. The problem with being so prescriptive in your list is, for example, it says that “military officers with a rank of general or above”, and, well, there's a reason we had Colonel Gadhafi. They know that and so they adopt the title that will often get them out of these sorts of things.

In the case of the FACFOA, unless Russia is requesting us to seize that gentleman's assets, then that is not one of the pieces of legislation we can use.

Hon. Peter Kent: Professor Eckert.

Ms. Sue Eckert: I'm going to speak actually from both my Hill experience and the executive branch. One of the tools that we used in the U.S, at least—I'm not as familiar with the Canadian provisions—was the International Emergency Economic Powers Act. That provides very broad authority for the president to respond to any kind of emergency emanating outside the United States to the national security and foreign policy or economy of the U.S. Our OFAC and our treasury department actually use that for a number of measures to designate individuals subject to sanctions. I think that broad authority is actually very important. I don't know the degree to which the Canadian.... Again, you're focusing on two pieces of legislation, but they become a complex picture because they are a patchwork quilt, if you will, that has grown up over time. Sometimes it's a good thing to take a step back and look at what the ultimate objectives are, and to try to reframe them.

The other is that you do have differing standards. There's a reason why we don't have serious sanctions by the UN. There are limits to what we can do in the context of the Security Council. We always tend toward trying to make them as multilateral as possible, because more countries are following. It's very important because a number of countries, if they are not UN, can't implement them. They are based specifically on the UN.

In the particular case in terms of corrupt officials, that is not a UN measure. Now, it may be that like-minded states will be able to change the standards. To some extent, catch-all categories can be useful to governments in doing that.

● (1600)

Hon. Peter Kent: Thank you.

I assume both of you are familiar with the Magnitsky Act that was passed by the U.S. Congress. That leads to my question. In that context as a possible gap-filler in the Canadian context, could you address the effectiveness of targeted sanctions versus broad, sweeping national sanctions?

Ms. Sue Eckert: Perhaps I could start. The sanctions now, by and large, are targeted. Whether they are UN sanctions or national measures, we have tried to target individuals and their behaviour and tried to focus on the kind of objectionable behaviour we want to change. Most of them are targeted. Having been in the position of implementing legislation that the Congress had passed, there is utility in providing broad authority to the executive and not having it be piecemeal, having one act going after Russia, having another act looking at Syria. That's why I think it's important to look at the totality, because it does get to be a problem.

In the U.S. case, for example, we started writing sanctions legislation in the 1990s, and each case had different waiver authority. It therefore got very complicated to actually remove the sanctions. What were the standards, was it national interest, national security? It simply got more and more complicated over time. That's why it's important, I think, to take a step back. You have the opportunity to look at the totality of what it is you want to accomplish.

Hon. Peter Kent: Professor Charron.

Dr. Andrea Charron: I have a few points.

First of all, Canada does not have extraterritorial reach when it comes to our legislation, so there has to be a Canadian connection. Because Canada's banking system is so good, people are not generally hiding assets in Canada. We already have quite a number of steps and processes to make sure that we are not harbouring criminal funds, etc. That doesn't mean there isn't room for improvement.

Hon. Peter Kent: Except Mr. Malkin's millions.

Dr. Andrea Charron: Yes, but there's also a danger in trying to change legislation to go after that one person. You may find unintended consequences for everybody else. And can you imagine the extra burden on the banks to have to go through millions of transactions to make sure that, perhaps, he or she wasn't involved in some way, shape, or form?

I remember an article written by Kim Richard Nossal based on James Eayrs, who many of you will know, who always counselled for Canada that the best foreign policy is when we stay in the middle. We don't become too idealistic and finger wagging and we don't think of ourselves as a great power. We steer that middle road.

Given the legislation that we have and that limitation on not being able to reach into other states—which I don't think we want to be able to do—realistically there's not a lot Canada can do. That doesn't mean, as Sue Eckert said, that the purpose of putting sanctions in place can signal this is not on, and it can start to develop a norm. That's very important, but it's not a tool to compel change.

The Chair: Thank you, Mr. Kent.

Now, we'll go to Mr. Sidhu, please.

Mr. Jati Sidhu (Mission—Matsqui—Fraser Canyon, Lib.): Thank you, Mr. Chair. Thank you both for sharing your knowledge with us here today.

Professor Charron, you mentioned that the rubber rings were worth $15. I think there's more to this puzzle...exporting of prohibited goods in contravention of the United Nations Act resolutions on Iran, the SEMA, and the Canadian Customs Act. Considering the amount of resources that went into this to bring the party to the table, do you think a $90,000 fine is good enough to deter these companies not to get into these actions further?

● (1605)

Dr. Andrea Charron: Well, $90,000 isn't the maximum amount. The SEMA and the UN acts contain differing amounts. I believe that under the UN act, it is $100,000 and 10 years of jail time if it's an indictable offence. Of course, Canadian judges do have discretion in taking into consideration all of the context. I haven't spoken to the company in question directly, but it sounds, according to what's been reported in the news, as though they realized that, oops, they had contravened the acts, and they came forward. I'm guessing that's why the judge took that into consideration when coming up with the amount assessed for them.

I would suggest that the committee might want to just take a good and a state that is subject to sanctions and try to drill down and figure out all of the different pieces of regulation someone has to go through, and try to get the definitions to try to figure out what it is that they can and cannot buy from or sell to these countries. It's getting to the point where it's just easier to say, “Well, I'm not going to do it”, but then that impacts Canadian companies and Canadian jobs, and that was never the intent, in the first place, of the Governor in Council deciding that those measures should be in place.

I would always caution against the unintended consequences of trying to go after all of the companies to maximum effect, because often the dribble-down effect hurts innocent Canadians.

Mr. Jati Sidhu: Do you have a different take, Ms. Eckert?

Ms. Sue Eckert: Well, let me just supplement. I think it depends on what you want to achieve by these sanctions.

I was a regulator. I administered dual-use export controls for the United States and the Clinton administration. I was looking for what the violations were and what people were doing. I have to say that the vast majority of companies are trying to comply. They are not trying to avoid sanctions, but the sanctions themselves are very complicated.

I would commend to you the UN sanctions report on Syria, because it gives an example of how complicated it is and how many different standards and how many different rules apply in these different circumstances. Then you have national sanctions, U.S. sanctions, EU sanctions, and then UN sanctions, and all of the different standards that exist. They're complicated.

I think it's important in the context of legislation to also have differences between willful and inadvertent violations. If there are unintended violations, presumably you're not going to penalize the firm. There can be mitigating factors. I think you have to take into account now that because they are so complicated, you do have this de-risking effect. Companies are not just getting out of the business, which I think in and of itself is important, including for reasons of national economic health, but they're also getting out of the business of providing humanitarian assistance, and they're getting out of the business overall because the risk is too great.

I'm not sure that's ultimately achieving foreign policy objectives of Canada or the U.S. or a number of other countries. We have to manage those risks and help the private sector manage them, but doing that requires clarity of regulations and guidance by the government, and often those are not forthcoming.

Dr. Andrea Charron: May I add a personal anecdote that speaks to that? Canadian companies and banks are so concerned about making sure they comply because there are quite damaging consequences.

When I was working for the sanctions consortium, I was doing a case study on Sudan, which was under sanctions. I was being paid by the Swiss government to provide an assessment of how UN sanctions were doing on Sudan. The cheque came to my Royal Bank account, and the manager from Royal Bank phoned and said, “I'm going to have to call the RCMP because this could be a case of sanctions busting.” On the cheque it read, “Sudan sanctions”, to remind me what I was getting this money for. I had to go down with the contract from the sanctions consortium from the Swiss government to say, “I am not participating in Sudan sanctions busting. I am simply a Ph.D. student desperate for funding, and this is my cheque.” That's how serious they are about complying.

Even though there's a number listed on the Global Affairs site to get information, they can't give legal advice, and so you have to hire your own lawyers at great expense. It means that somebody like me was going to have my bank account frozen, which means I cannot pay my mortgage, I cannot buy food, and I cannot do anything because of this concern about making sure they comply.

● (1610)

Mr. Jati Sidhu: Since we are talking about different countries, do you have experience of different countries punishing these kinds of activities in a larger manner compared to what we do here in Canada?

Dr. Andrea Charron: Maybe Sue does. What are the U.S. penalties for sanctions busting against UN sanctions?

Ms. Sue Eckert: It varies in the different kinds of effects. I would be willing to say that U.S. sanctions and enforcement actions are quite significant. Probably the U.S. has more enforcement actions than any other country. It's the billion-dollar penalties that a number of banks have been subject to. It's millions and billions of dollars in penalties that have driven this de-risking phenomenon because of the risk of inadvertent violations or being fined, and the reputational risks to their names. A lot of banks are turning down business and just saying, “We're not going to....” Some banks...there's one I know of that has said it will not do business in Africa anymore because of the risks.

There are a variety of risks. There are export control violations, and the standards for imprisonment or for fines are quite significant. In any number of specific legislations, the fines have been increasing. I don't have the statistics right in front of me, but I'd be happy to provide them. There are a number of enforcement actions in the U.S.

The European countries have had a number of enforcement actions, as well, but I would say that Canada, the U.S., and some of the European countries have the most.

The Chair: Thank you.

We'll go to Hélène Laverdière.

[*Translation*]

Ms. Hélène Laverdière (Laurier—Sainte-Marie, NDP): Thank you very much, Mr. Chair.

[*English*]

Professor Eckert, first I have to say that I was interested in your element of making a difference between willful and unintended consequences. I think that's something we should take into account as we're reviewing those laws.

I was also quite interested in your comments about over-compliance and the need for capacity-building assistance.

I'm sorry, I'm asking all my questions in English because all my notes are in English, but normally I would speak French.

We've seen it, for example, with sanctions on Iran, where there were students who would see their bank accounts frozen, and there were all kinds of complications. We're just beginning this study, but we've heard things that, as a neophyte, are a bit troubling, like not having a readily available list of the people who are targeted by sanctions.

The first impression I think most of the committee got was that we could do a lot more in helping, as you say, the private sector to implement effectively, and in limiting risk factors for them. I was just wondering if there are best practices, or models, or something we could learn from.

Ms. Sue Eckert: On the whole question of compliance, it is undoubtedly true. Take, for example, the Libyan sanctions. When the UN sanctions on Libya were first applied, a number of us who'd been working in the area—because it was the first time that we had imposed sanctions in the context of R2P, responsibility to protect the citizens—were very happy that this had taken place, that the UN was using sanctions in such a way. But with regard to the impact of imposing those sanctions, they immediately went after the central bank and the oil company. In doing so, it virtually froze any students who were studying.... I know there were some examples in Canada. It had very significant consequences on individuals.

When you're talking about targeted sanctions, there's a range of targeted sanctions: freezing one's bank account, limiting the ability to travel. Those are the most targeted, the most individual ones. Then you go up in terms of sectoral sanctions, and here they can be sanctions on oil, on the financial sector, etc. Then you can go all the way up to full-fledged comprehensive sanctions. Those that are on broad sectors of the economy are less targeted and have more of an impact on the population, so it's those things that we need to be concerned about.

With the new UN Security Council resolution on North Korea, granted it's been very important that the UN respond to the increased belligerence of North Korea on the proliferation front, but some of the measures are actually raising some questions about how broad they should be. Again, it's almost like a recomposition of sanctions. They're targeted sanctions, but they apply in such a broad way. When that happens, the private sector needs a kind of guidance.

I think that you also have a situation where government needs the resources. I was just in the U.K., and there is a new unit out of Her Majesty's Treasury that is focused on sanctions. Part of the response here is to try to provide greater guidance and greater support for private sector implementation. I think that's important. You have to devote the resources. I know that everyone is concerned about budgets, but when you're putting the compliance on the private sector, you have to provide the guidance, and that doesn't always happen. I think that's an important thing that has to be taken into account.

The other is on sanctions lists. With the UN, I believe it was last year, or maybe the year before, that it was the first time they had ever had one consolidated list of all the sanctions regimes. Now, if the UN can do that, why can't, on a national government basis, they be able to do that?

I know that OFAC divides it according to the different programs, and they do have a consolidated list. However, firms are spending an enormous amount of money on it.

I'll tell you that the only growth area in banking right now is in compliance. They are hiring people away from government in order to understand the complexity of the regulations, and then to be able to comply.

● (1615)

[*Translation*]

Ms. Hélène Laverdière: Thank you very much.

[*English*]

Thank you very much, indeed.

Professor Charron,

[*Translation*]

do you speak French?

Dr. Andrea Charron: Yes.

Ms. Hélène Laverdière: Okay. In any case, the interpretation service is available. We are two francophones, so we will still talk to each other in French.

You are talking about sanctions, about the idea of recovering goods and the risk of affecting people, first and foremost. At the same time, isn't the opposite also true?

I will use an example I care about, that of Ben Ali. The Tunisian government is saying that the members of his regime robbed the country for years. One of them has a house, money and goods in Canada. The Tunisian government is imploring our country to seize them and send them back to Tunisia. Isn't that the other side of the coin?

Dr. Andrea Charron: No.

I completely agree.

I will answer in English, as my French vocabulary when it comes to sanctions is insufficient.

[*English*]

I think you're right, but the FACFOA is very different from sanctions because it is driven by Tunisia asking us to seize assets in Canada, which I believe we've done. I think there were questions about that on Monday, and then the question was how much do we give back to Tunisia.

I think that is very useful, but as we see from the number of times the FACFOA has been invoked it doesn't happen very often. Canada should probably keep it on the books, but it's not one I would expect we're going to use often because Canada is not where people hide their money. They hide it elsewhere.

Property may come up. Right now our definitions of property, on the one hand, are very open, which is good for us, but on the other hand it's very difficult for companies, for banks, to understand. This real estate deal is going to go through. Is this something I should be worried about? That could also affect the housing market, which was never the purpose of the FACFOA when it was first brought in.

● (1620)

[*Translation*]

Ms. Hélène Laverdière: Thank you.

[*English*]

Ms. Sue Eckert: A country that has the sophistication and the legal basis regulatory system that it does and the confusion that exists.... Think about another member state of the UN, say an African country; trying to understand what the sanctions are intended to do and how to implement them can be overwhelming.

In the past, the African Union has become a regional organization that has imposed its own sanctions aimed at the unconstitutional changes of government. It has asked the UN for help. How do you put a system in place? How do you implement targeted sanctions?

The comprehensive response, the guidance, the types of documents, and how you put in place an implementation and an enforcement mechanism have been very slow in coming.

I suggest if we're struggling in the U.S. and Canada to figure out exactly how to implement, think about other countries. They may not be as sophisticated, but particularly on an arms embargo the number of arms awash in various African countries and contributing to conflict is quite significant, and trying to implement an arms embargo is something that requires...or proliferation-related goods.

These are challenges. I think we've contributed a lot for counterterrorism assistance in the aftermath of 9/11. That has all been very important, but for most countries the only legal basis upon which they implement sanctions is the UN Security Council mandate. It's a chapter 7 mandate. It's required of all member states.

If we're serious about multilateral implementation I think we need to put some support into training and capacity building. In the past, I think the Canadian foreign ministry funded some capacity-building programs.

The Chair: Thank you very much.

Mr. Saini, please.

Mr. Raj Saini (Kitchener Centre, Lib.): Ms. Eckert, I want to take you back to the past, because I know you've written extensively on the Interlaken process. The manual that was produced during that process has been used by many different states to guide them in implementing their own sanctions regime.

During the first process one of the things that came out in that meeting is that one of the preconditions necessary for targeted sanctions to be effected was clear identification of the target. I want this for more clarification so I can enhance my own knowledge, especially because we're at the outset of the study.

It was written that the targeting depends to a large extent on the characteristics of the targeted country. Can you help me understand the characteristics, what was meant by that stipulation in the first part of the process?

Ms. Sue Eckert: Yes. That goes back quite some time.

It's good to know that people are still looking at the Interlaken manual. Beyond Interlaken is the Bonn-Berlin...focusing on arms embargoes, aviation sanctions, and individual bans on travel; and then the Stockholm process, which I would commend to you as well.

In the early days, back at the time that was written, there was actually a case in which the UN listed “Big Freddy”— no identifying information, nothing more than the country and the name “Big Freddy”. We've come a long way since then. The UN actually has identifiers to the extent that there's passport...date of birth. Whatever information they can, they put out. I think that's important.

At the time, what we were looking at was that in order to determine the target, you would have to look at the structure within the individual country. It's not a one-size-fits-all, just get the head of the military or just get the head of state. In fact, we don't target the head of state very often. Should you go after families' members, for example, who are travelling, who may be studying in Canada or in the United States? You have to look at the individual circumstances, and that requires effort to understand the country.

Very often the Security Council is reacting to emergency situations. There is not as much forethought. At the particular time we wrote Interlaken, maybe you wanted to capture a broader range at the outset...freeze and release. Freeze a greater number of assets, and then clarify. You don't have the flight of assets that you might have had, had you taken too long to actually implement them.

Those are some of the inherent issues in that. That actually was written, I'm almost embarrassed to say, almost 20 years ago—15, 16 years ago. There's been a lot of advancement in the development of sanctions since then. But it's clearly a situation in which we need to define what it is you're trying to achieve in order to determine the targets. That has gotten better over time with the UN.

● (1625)

Mr. Raj Saini: The reason I bring that up is that I think it was somewhat the first step taken to create a platform that other countries could use in determining how to implement their own regime.

When you had Interlaken I and you had Interlaken II, a manual was produced. Something was written in there that I would like further clarification on, because I think it speaks to domestic politics and our domestic economy.

One of the clauses that was put into that manual was “to enable implementing States to ensure non-liability for compliance”. This is a question I have for you, and it is somewhat hypothetical. Let's say that now you have a lot of countries that have sovereign wealth funds or you have a lot of countries where you might target an individual who may have a subsidiary, or an interest in a subsidiary, in Canada, which has a lot of jobs. There's a domestic.... How do we do that now? I don't understand how that would work.

If you target somebody, or you target a country, with investments in this country.... When you talk about freezing assets, if it's an account, that would be easy. But what if it's a domestic industry or a company, or something, where jobs are on the line? You freeze the assets, or you freeze the travel of executives back and forth who are actually working in that company to run the company. How do we adjust the sanctions to mitigate the losses domestically?

Ms. Sue Eckert: That's a good question.

I think the provision you're talking about is in the model legislation. This was, in particular, to protect banks. When you freeze assets and you're relying on the government's action, they get what's called a “safe harbour” from being sued. That has been an important measure in terms of banks being able to implement sanctions.

Now it's far more complicated. You had sovereign wealth funds, for example, that we went after in the context of Libya. I think what it argues for is this. You can put in place sanctions, but there are exemptions. There is a process both with unilateral sanctions, I would imagine, that Canada has with the U.S.... Even in the context of UN sanctions, there are exemptions. There are exceptions that you can go to the committee.... In the case of Libya, they were almost overwhelmed with the number of requests for exemptions, because the sanctions were so broad.

Again, it's complicated. There is no easy answer. They have to actually be tailored to the specific circumstances and allow for some flexibility, but not so much so that each individual country is interpreting entirely on its own.

I don't know if that addresses your question. I'd be happy to go back and look at the provisions you're talking about in Interlaken and provide some additional information.

Mr. Raj Saini: Sure. That would be great.

I have one more question.

I will give this one to Dr. Charron. On metrics, how do we actually know sanctions are working? When we look at UN sanctions, which are mandated to include every country, as opposed to sanctions from the EU or the African Union, as Professor Eckert has stated, how do we know that our sanctions are working, and if it's not a broad-based global sanctioning regime, is there any point to it?

If a few countries have sanctions against one country or state but the sanctions can be overridden by other countries...for me, it has to be either all or none. If every country is involved, sometimes that's through the UN, and as Professor Eckert stated, UN politics are involved at the Security Council level. If you don't have a global regime to impact a state, then if you have smaller blocs, how would that work? Is there a reason for it, or is there any effectiveness?

● (1630)

Dr. Andrea Charron: That's a good question. It depends often on trying to figure out what would catch the attention of the decision-makers. For example, one of the really innovative things the UN did regarding North Korea was, when they realized that Kim Jong-un's father had a penchant for Hollywood movies, scotch, and luxury goods, they left it up to each member state to define what was a luxury good. The great thing about that was that Canada could look and ask, what's going from Canada to North Korea that would make his life a little bit more uncomfortable?

You're right. On the one hand, if Canada were to say to Kim Jong-un, “That's it, no more Seagram's whisky,” I doubt very much that it would change North Korea tomorrow—

Mr. Raj Saini: No.

Dr. Andrea Charron: —but if everybody does that, yes, it does have a chance. Sometimes if you're lucky enough, you're a state that has something that they need absolutely. If you cut it off, that's going to work. Sometimes you need collective action.

Mr. Raj Saini: I'd just make one quick point on that. There's a travel ban on Kim Jong-un right now, isn't there?

Dr. Andrea Charron: On Kim Jong-un? We don't put sanctions in place on sitting heads.

Ms. Sue Eckert: Not as a leader.

Mr. Raj Saini: There is not. Okay.

Let's say he wanted Seagram's whisky. It could come via China, couldn't it?

Dr. Andrea Charron: It could very well.

Mr. Raj Saini: Then where is the effectiveness?

Dr. Andrea Charron: Going back to what Sue Eckert said, sanctions are not just about saying, if *x*, then *y*, that if I put in place a sanction, that's going to create a change in behaviour. It's also saying to the world, we collectively disagree with these policies, and to show that in the most tangible way we are going to target whisky. It may not actually create the change in opinion, but it starts a norm of everybody saying, this is unacceptable and here's proof it's unacceptable.

You are right, there is no guarantee that 10 years from now we're going to look back and say it was those sanctions that made the difference. We never just apply sanctions. It's a panoply of efforts, diplomatic missions, the six-party talks, and so on. There is no way to tease out the actual effect of the sanctions.

Ms. Sue Eckert: Could I add two quick points to that? One clearly is, you're absolutely right, the effectiveness of the UN measures depends on how, for example, China is interpreting "luxury goods" and whether they interpret that and then enforce it. That's all the more reason that we need to work multilaterally.

There are situations, for example, in Iran, in which we had a base level of sanctions, but it was not those sanctions that provided the pressure. It was the coordinated U.S., Canada, and in particular, EU sanctions on oil and the financial sanctions that were decisive, that really turned the screws to the point that it really hurt the Iranian economy.

They may be complicated. There may be some confusion at times between whose sanctions, but I think it was the combination of sanctions and it was like-minded states that decided to work together to use the UN sanctions as a base but go beyond it that was really decisive in the case of Iran.

The Chair: Thank you, Mr. Saini.

We'll go to Mr. Levitt.

We're just finishing our first round, colleagues, and because this is important topic, we'll carry on to the second round.

We'll go to Mr. Levitt next, and then Mr. Kmiec.

Mr. Michael Levitt (York Centre, Lib.): Good afternoon.

Canada has a reputation as a defender of human rights around the world. The concern has been raised in here, and I share it, that our current sanctions regime lacks both the legal effectiveness and the enforcement capacity to hold accountable individual human rights abusers.

You heard mention earlier about the Magnitsky legislation that was adopted in the U.S. Congress. That's something that has been raised in the Canadian context as well, not just with Russia in mind but globally. I'm looking for your suggestions. I'm looking to hear from you. If our goal is to be able to hold to account human rights abusers in other jurisdictions, how can we go about doing that? What suggestions do you have on how we can have something with teeth that will allow us to hold these people accountable?

● (1635)

Dr. Andrea Charron: It's difficult because if the human rights abuses are happening somewhere else, unless they've violated some Canadian law, it's very difficult to try and enact some sort of punishment on them. I would say in the case, often, of human rights, rather than sanctions, it's things like continuing to accept foreign students, so that we educate a whole other generation on what it is to respect human rights and they take those lessons back with them. Then it's a change that happens internally.

I know there is this desire to punish transgressors, but often if the end goal is to improve human rights, sanctions are not necessarily the right tool, especially as Canada applies them. I think there are other things that Canada can do that will give that effect.

Mr. Michael Levitt: I don't think it's the only tool in our tool kit in terms of our engagement on human rights globally and in Canada, but certainly being able to hold individuals accountable internationally is something that is a concern.

Dr. Andrea Charron: As a professor, I have access to hundreds of students. I think people like me have an intangible effect on things like, what it is to understand human rights. Sue? I don't know how to answer this question.

Ms. Sue Eckert: Increasingly when using UN sanctions, when we did the assessment in terms of impact and effectiveness, human rights are not commonly the primary purpose, but they are a purpose for numerous sanctions regimes that the UN implements. In fact, there has been an evolution in which we've actually gotten more specific with regard to human rights abuses. Sexual and gender-based violence has become a basis for designations. Working with, for example, NGOs in the area, providing information to UN panels of experts, to national governments, they can provide that kind of information to target individuals who are violating the sanctions.

I think it's very important, but it's not easy, and it's not the sole... we tend to focus on sanctions because it's something that we can do, that governments can put in place, but there are a variety of different things that can be done. I think it's a problem when we expect too much of sanctions. To the extent that what we can do is to work multilaterally to get as much in UN Security Council resolutions, requiring attention to human rights abuses, and then follow up with implementation, I think that's important. Again, it goes back to implementation. There are provisions in UN Security Council resolutions, which many member states don't implement, so at some point you need to provide the capacity to help them implement. Ultimately, it's not a popular thing with many governments, but if they're not implementing then you should think about secondary sanctions.

Again, it's not a popular notion with a number of governments, but I think that it's hard to get to the point of secondary sanctions, though, because you don't know whether governments are not complying because it's a lack of capacity and ability or it's willful violations. If we're really serious about implementation, then there has to be enforcement, not just putting out what the objectives are and letting people do as they will.

Mr. Michael Levitt: I would just follow up and say the concern, I suppose, with the UN on this is occasionally we get countries that will veto or have their way in terms of not implementing, and that—of course—is an obstacle we face in terms of.... Again, that's one of the reasons we're looking at bolstering the Canadian sanctions regime to allow us to be able to address some of those situations.

The Chair: Thank you, Mr. Levitt.

Ms. Sue Eckert: I would also commend to you this High Level Review of UN Sanctions that took place and was released last November. There is a review process which is starting this year. There were 150— I know it sounds daunting—recommendations of things that could be done at the UN international organizations related to sanctions, member states, and with the private sector to look at implementation. I would urge you to take a look at some of those things because I think some of them might be useful.

● (1640)

Mr. Michael Levitt: Thank you very much.

The Chair: Thank you.

We're a little over time, so we'll keep it tight colleagues.

Mr. Kmiec, you have five minutes.

Mr. Tom Kmiec (Calgary Shepard, CPC): Thank you both for coming in.

I want to talk about the U.S. Magnitsky Act. I'm glad my colleague brought it up. Madam Eckert, you had brought it up briefly in your opening statement, but you didn't really get into it. Has it been a success in the United States? What's the opinion of policy experts there?

Ms. Sue Eckert: I don't know if I could characterize the opinion of policy experts. It is congressional legislation that the executive branch is implementing. What's the purpose of it? Is it going to coerce the individuals? I'm not sure that we've seen that it has been particularly effective in coercing. It is serving the purpose of stigmatizing those individuals. I think that's important. It's sending a signal that the kind of activities they're pursuing are inconsistent with norms.

I would prefer to get back to you if you wouldn't mind. I know the listings and I know it's being implemented, but I haven't really looked into its effectiveness. The work we did looked at the implementation of UN sanctions in terms of impact and effectiveness. Again, it goes to the purpose. I think constraining can be very effective in signalling or stigmatizing individuals and I think those designations fall into that latter category.

Mr. Tom Kmiec: I want to talk about coercive behaviour versus the deprivation of resources. You talked about which one was the most effective. Professor Charron, you might also want to comment on exclusion as a form of punishment, as one tool among many that Canada could use. There could be travel bans, the exclusion of individuals from participation in the Canadian economy, or from being allowed to enter the country. Shouldn't these restrictions be part of the tools we use to deal with criminals from overseas or persons we have vast policy differences with, because of their human rights abuses in other countries? Exclusion is a form of punishment but also an indicator to other countries of the social or political norms we want others to accept. Shouldn't exclusion be part of what we do?

Dr. Andrea Charron: If you mean by “exclusion”, preventing them from entering Canada, that is definitely possible. I want to link this to your question about the Magnitsky Act. One of the unintended consequences of doing both of those too often and to too many people is that you're actually legitimizing these individuals. In some cases, it might be a badge of honour to be banned from entering Canada; it might give them more legitimacy back home. We have to think about not giving them a platform by doing that. Yes, we can ban individuals from coming to Canada, but we cannot ban Canadians from re-entering. It is a possibility and we do that. Our list tends to always match that of the U.S. and the EU.

Mr. Tom Kmiec: I was going to talk about those unintended consequences. I was conferring with my colleague before. We were talking about when some of the Iran sanctions were starting to be taken off. We asked a question to the government and they wouldn't say which of those sanctions were being taken away. We actually had to check with the United States list, which was easier to find. We compared the two and then we kind of understood what was going on. I asked the RCMP if there was an easy way for business to find a list of all the sanctions in Canada, and they said they didn't have that information available. Is this something that business has been asking you for? Is this something that's commonly requested?

Dr. Andrea Charron: I would think the number of business bloggers out there who provide information to businesses about updates on Canadian sanctions is an indication that there isn't a go-to list that they can use. There's a lot of chat on the internet, “What about this? What about this update?”

For example, when we applied sanctions against Russia, almost every other day we were updating the list. This means that every other day a bank has to go through all of their accounts again. The same was true for businesses. We wanted to show that we were serious about Russia, but by doing it piecemeal we put a lot more burden on banks and individuals, so that it might have been better to get one list and release it. I appreciate that we wanted to show Russia how serious we were about its acts. However, the unintended consequence was that we put more burden on Canadian banks and businesses than we did on Russia.

● (1645)

Mr. Tom Kmiec: Okay.

Ms. Sue Eckert: I would just add that I think sanctions have been a boon for lawyers and for consultants. My own personal view, both when I was on Capitol Hill and when I was in the executive branch, is that people shouldn't have to pay to make sure they're complying with the law. There should be an obligation on regulators to be clear about what the regulations are or, if there are questions, to be able to respond to the questions and to provide that kind of guidance. The more complicated it has gotten, the less the executive branch has been able to respond in some of these circumstances, even in the U. S.

Firms go to great expense—I'm talking millions and millions of dollars—to comply. They employ software. You've talked about a consolidated list. If you go to the software companies that do this kind of thing, there's World-Check, there's Thomson Reuters, and there's even SWIFT tools and utilities. They're out there, but you have to pay for them. As for what they do, they're updated on a daily basis and that's what the financial institutions use to screen against transactions, but again, think about the volume of transactions that are going through messaging systems in terms of financial transfers. It's quite voluminous. Every time there is a hit against one of them, that means a person has to look at it and decide what to do about it.

I think we have to be aware that these kinds of tools, these foreign policy tools, while important, are not cost free. In essence, what we're doing is downloading the cost onto the private sector. As a former regulator, I believe that it's the job of the regulatory system to provide that kind of clarity. It shouldn't have to be that you go out and hire a whole team, but unfortunately, that's what has happened in recent years.

The Chair: Thank you.

Now we're going to the last question, with Mr. Fragiskatos for five minutes, and then we'll wrap this up.

Mr. Peter Fragiskatos (London North Centre, Lib.): Mr. Chair, I know that my colleague is interested in these issues as well, and I think he's been patiently waiting, so I'll defer my time to Mr. Wrzesnewskyj, an associate member of the committee.

The Chair: Borys, go ahead, please, for five minutes.

Mr. Borys Wrzesnewskyj (Etobicoke Centre, Lib.): Thank you, Mr. Chair.

Thank you for the opportunity, Mr. Fragiskatos.

I'd like to follow up on my colleague's questions around targeted sanctions in regard to individuals, such as the Magnitsky sanctions. In a sister committee during the summer, we heard some horrific testimony of extrajudicial arrests and torture in Crimea and in Russian-controlled Donetsk and Luhansk. In one case, these extrajudicial arrests, the torture, and the killings were done to terrorize the local population. In the case of Crimea, the witness was transported to Russia for a show trial. The torture was a means to extract false testimony against a Ukrainian documentary maker and his colleague.

When we listened to this testimony, it became clear that names could be named. They named officials who engaged in this torture. They named FSB officials, the Russian intelligence agency officials. In certain cases, they were directing the torture, and in some cases were engaged in the actual torture.

We know that Professor Eckert will get back to us in regard to the effectiveness of sanctions that target human rights abusers very directly, but I'd like to put this question to Dr. Charron. For travel bans and asset freezes in cases such as that of Russia, where you have not only a re-emerging dictatorship, but also a kleptocracy, with these officials often travelling to the west and their family members travelling to the west—often, they have significant assets in the west—my question is, would sanctions not be effective?

It seems, by the reaction from the Russian side, that these individually targeted sanctions against torturers, jailers, and prosecutors and judges in show trials appear to be effective. One of the things the witnesses made clear was that they wanted to see those individuals who had committed these horrors against them named publicly, and in a way that would actually have an effect so that they couldn't hide in those shadows.

Professor Charron, back in 2005, you wrote a paper called "Canada's 3T's of non-Trade Sanctions' Employment: Tertiary, Timid and Tepid". These seem to be the opposite, these very targeted sanctions. Do you still agree that Canada's sanctions regime is tertiary, timid, and tepid, as you wrote back in 2005? Is this not an effective tool based upon what we've seen so far with Russia?

● (1650)

Dr. Andrea Charron: First of all, that article was written over 10 years ago and it was in reference to UN sanctions and Canada's application of them. Those three Ts apply to how long it takes us to go from getting a UN resolution to actually creating the regulations. If the sanctions were against Africa, it could take 100 days to put in place the regulations. If they were against Iraq, we could do it instantaneously. What I was pointing out is the inconsistency of the machinery behind our application of sanctions.

I think what you're describing is reprehensible. Of course, we can only sanction assets that have a Canadian connection. We could certainly put individuals on a list to prevent them from coming into Canada, but the naming and shaming of these individuals is the work that Amnesty International and other human rights organizations do, day in, day out. There are other ways that Canada could support making sure that this practice of taking people and not giving them due process...but I don't think Canada's sanctions are necessarily going to stop that. I know that's not what you want to hear.

The Chair: Ms. Eckert.

Ms. Sue Eckert: I would just add that there is a role, short of UN sanctions. I agree. I think it's very important to get as many member states committed to the sanctions as possible, but even without having a UN Security Council resolution, there are other ways for states to coordinate like-minded states, and that's what the Russia sanctions have been. They've been like-minded states, in terms of the United States, Canada, and Europe.

I believe they are having an effect. I think some of the individual measures or the ones specifically targeting trade or financial measures are probably hitting harder. We do have to be careful, because there is a rally-round-the-flag effect at times by those who are targeted. We saw that in Iraq, and I do not know the extent to which that has become a phenomenon in Russia.

Even if we can't get UN sanctions, using these measures by like-minded states and coordinating them and trying to have as much consistency as possible can make them more effective.

Mr. Borys Wrzesnewskyj: Thank you.

The Chair: Thank you very much, colleagues.

To Sue Eckert and Andrea Charron, thank you very much for your time. We did take a little more of it than we had anticipated and probably could take more, but I wanted to first thank you on behalf of the committee for giving us this valuable information.

I will repeat somewhat what Mr. Kent said. One of the things that we very much want to do is to review this act in some detail to see its effectiveness. What we recommend to Parliament as it relates to this legislation is obviously very important to Canada and a better understanding of sanctions and their meaning, not only for us domestically—well, for sure, banks and others in the business community—but also in our relationship with other countries around the world.

This is an extremely important debate and discussion, and we appreciate your time. If there is any other information you think would be useful to the committee, please feel free to contact us and supply it and we'll be very supportive in taking it.

Thank you very much. We very much appreciate your time this afternoon.

● (1655)

Ms. Sue Eckert: Thank you, Mr. Chairman. We're happy to do whatever else we can to help.

The Chair: Thank you.

We will now go in camera for a few minutes.

As a reminder, I think we have votes at six o'clock, so we will start a process, but we will end at 5:30.

[*Proceedings continue in camera*]