



HOUSE OF COMMONS  
CHAMBRE DES COMMUNES  
CANADA

44th PARLIAMENT, 1st SESSION

---

# Standing Committee on Foreign Affairs and International Development

EVIDENCE

**NUMBER 068**

Thursday, June 1, 2023

---

Chair: Mr. Ali Ehsassi





# Standing Committee on Foreign Affairs and International Development

Thursday, June 1, 2023

• (1105)

[English]

**The Chair (Mr. Ali Ehsassi (Willowdale, Lib.)):** Welcome to meeting number 68 of the Standing Committee on Foreign Affairs and International Development.

Today's meeting is taking place in a hybrid format, pursuant to the House order of June 23, 2022. Members are attending in person in the room, as well as remotely using the Zoom application.

I'd like to make a few comments for the benefit of the members and witnesses.

Please wait until I recognize you by name before speaking. For those participating by video conference, click on the microphone icon to activate your mike, and please mute yourselves when you are not speaking. Interpretation for those on Zoom is at the bottom of your screen. You have a choice of floor, English or French. For those in the room, you can use the earpiece and select the desired channel.

Pursuant to Standing Order 108(2) and the motion adopted by the committee on Wednesday, September 21, 2022, the committee commences its study of Canada's sanctions regime.

It is now my great pleasure to welcome our witnesses today.

From the Department of Foreign Affairs, Trade and Development, we have Alexandre Lévêque, assistant deputy minister, strategic policy; Marie-Josée Langlois, director general, strategic policy branch; and Stephen Burrige, director, sanctions policy and operations coordination.

Mr. Lévêque, I understand you'd like to go first. You have a maximum of five minutes for your remarks, after which we will proceed to questions from the members. When you are getting close to the time limit, I will hold up this sign and we'd be grateful if you could wrap it up as soon as possible.

That having been said, the floor is yours.

[Translation]

**Mr. Alexandre Lévêque (Assistant Deputy Minister, Strategic Policy, Department of Foreign Affairs, Trade and Development):** Thank you very much, Mr. Chair.

Honourable members, I'm pleased to appear before the committee for this review.

[English]

Given Canada's robust sanctions response to recent and ongoing global events, this is a very timely opportunity to reflect on Canada's sanctions regime.

I was pleased to speak to members of the Senate Standing Committee on Foreign Affairs and International Trade last fall as part of their five-year legislative review of Canada's autonomous sanctions legislation. As you know, that committee very recently published its report and recommendations, which we are reviewing closely. We're keen to build on their work, as well as your own, to best position Canada to effectively and efficiently develop, impose, implement and enforce sanctions.

As you know, Canada has two pieces of legislation for imposing autonomous sanctions. They are the Justice for Victims of Corrupt Foreign Officials Act, or JVCFOA, which is commonly known as the Magnitsky act, and the Special Economic Measures Act, or SE-MA.

[Translation]

In the years since 2017, when the committee last studied Canada's sanctions regimes, Global Affairs Canada has introduced important measures to strengthen the administration and coherence of the regimes, such as establishing dedicated capacity for sanctions policy and operations.

This capacity has led to a number of accomplishments. In particular, it has helped to bring stronger coherence and coordination to the Government of Canada's approach to its sanctions policy, and to support Canada's commitment to its key allies.

Furthermore, it has allowed the creation of more streamlined processes for permit, delisting and certificate applications, and their evaluation.

Finally, it has helped raise the awareness of the Canadian public and private sectors regarding how to engage in international business activities in a manner consistent with Canadian sanctions.

• (1110)

[English]

While these have been positive developments, the global landscape has changed dramatically, and with it, the sanctions environment has undergone an unprecedented transformation. With this shift, the demands and challenges associated with implementing, enforcing and regulating Canada's sanctions regime have expanded exponentially.

In this way, I would be remiss not to talk specifically about the use of sanctions since February of last year following Russia's unjustifiable invasion of Ukraine. Since that time, Canada has imposed new sanctions on more than 1,900 Russian, Belarusian and Ukrainian individuals and entities under SEMA, through more than 50 sanctions packages. Given the expected protracted nature of the conflict, we anticipate that this will continue.

Since January 2022, Canada has also imposed sanctions to respond to situations in Haiti, Iran, Myanmar and Sri Lanka. Taken together with sanctions related to Russia's war in Ukraine, since the beginning of 2022, Canada has imposed 79 rounds of autonomous sanctions, representing an overall 150% increase in the use of this foreign policy tool over the previous five years combined.

A significant new development came in June of last year, when SEMA and JVCFOA were amended to allow the government to seize, forfeit, dispose of and redistribute assets belonging to sanctioned individuals. Canada is the first—and to this day, the only—country in the world to pass this kind of legislation.

In closing, in many ways, this study could not be more timely. As you know, the events of the last 15 months have taught us a lot and given us more to think about in terms of the future of Canada's sanctions tools.

[Translation]

I'm grateful for the opportunity to appear before the committee. I'm following your work with interest. I'm eager to learn the conclusions and, ultimately, read your report.

I look forward to answering your questions.

[English]

**The Chair:** Thank you very much, Mr. Lévêque.

We will now open the floor to questions from the members.

As I understand it, Mr. Chong, you are first.

You have six minutes.

**Hon. Michael Chong (Wellington—Halton Hills, CPC):** Thank you, Mr. Chair.

Thank you to our witnesses for appearing in front of us today.

I'd like to build on the 2017 report of the foreign affairs committee relating to its recommendations. One of the recommendations was the need for “written guidance to the public and private sectors regarding the interpretation of sanctions regulations” in order to allow individuals and companies to comply with sanctions regulations. Where are we with that recommendation?

When we look at jurisdictions like the United States, for example, the U.S. Treasury's office of foreign assets control, OFAC, publishes detailed interpretive guidance about its sanctions, alongside fact sheets. The European Union publishes customized details through the frequently asked questions section on its websites, including stand-alone documents dealing with the application of measures against, for example, Russia's central bank and many other issues.

Where are we with GAC publishing detailed written guidance, as the Canada Revenue Agency does on interpretation of tax law?

**Mr. Alexandre Lévêque:** This is indeed one of the key recommendations that came out of the 2017 report, and I would say that it has been implemented. It is a continued and ongoing effort.

Since that report was issued, Global Affairs Canada did create a stand-alone page, which is connected to the GAC Internet page, and that has detailed Q and A, and some information to help guide stakeholders, companies and private citizens. In addition, there is quite a bit of outreach that takes place, and we target the financial sector, the legal sector, the Canadian Bar Association, etc.

Having said that, it is something that we continue to strive to improve and to build upon. You cited some very good models that we have among our partners.

• (1115)

**Hon. Michael Chong:** The other recommendation raised by the committee's report of 2017 was that the processing of permits under SEMA be transferred to the same unit within GAC that processes permits under the Export and Import Permits Act. Can you tell us whether that has been done?

**Mr. Alexandre Lévêque:** No, that has not been done. These remain two separate units.

**Hon. Michael Chong:** Okay.

Are there any plans to do that, or are there no plans at present?

**Mr. Alexandre Lévêque:** There are no plans at the present time, the goal and the vision being to really consolidate all expertise on sanctions in one unit.

**Hon. Michael Chong:** Another recommendation related to that was that there be clearer service level standards established and that applicants be made aware in a timely manner online about the status of their applications.

For example, best practice would be the Australian sanctions office, which has clear information and a portal through which applicants can see the status of their application. They endeavour to process at a service level of six to eight weeks, while the public is told to generally expect three months, and they can also check up through a portal as to what the status of the application is.

Is there any plan for GAC to do something similar with applicants who have made applications for exemptions under SEMA?

**Mr. Alexandre Lévêque:** I would say there isn't a specific plan to put in place a specific service standard right now.

We, of course, always strive to turn these around in the best possible time, but I will say that the exponential explosion of permit requests we have received has forced us to prioritize those that are of higher priority and significance.

**Hon. Michael Chong:** Perhaps the workload could be reduced if more of this could be put online through a portal. That would reduce the need to interact with applicants to update them on the status of their applications. Maybe that's why these other jurisdictions have done such things, in order to reduce the workload and make things more productive.

I have a final set of questions I'd like to ask. The 2017 report also recommended stronger enforcement of sanctions rules. Last year, in budget 2022, the government announced the creation of a Canada financial crimes agency. The U.K. has announced a similar measure. The U.K. has indicated that part of their new agency would be dedicated to sanctions enforcement.

Is that also the plan of the Government of Canada?

**Mr. Alexandre Lévesque:** There is indeed a plan afoot on this. I would not do justice to it if I were the one to reply to this, especially given that a number of my colleagues will be here in the second hour of this committee meeting and will have the expertise required.

**Hon. Michael Chong:** This is not the first time I've asked this question of Global Affairs Canada officials, so perhaps the next time we have a discussion about sanctions enforcement and the sanctions regime in Canada, officials would be able to indicate whether or not this new Canada financial crimes agency will have a unit within it for sanctions enforcement.

I'll finish there, Mr. Chair. Thanks.

**The Chair:** Thank you, Mr. Chong.

We next go to Mr. Sarai.

You have six minutes.

**Mr. Randeep Sarai (Surrey Centre, Lib.):** Thank you, Chair.

Thank you for joining us today. It's a very timely discussion to be having right now.

Can you describe, in the most concise manner possible, the Government of Canada's current sanctions regime and the process by which individuals are sanctioned, from start to finish? When we sanction either an entity or a country, what's the process that the Government of Canada uses?

**Mr. Alexandre Lévesque:** Thank you for the question.

It is indeed something I could spend a few hours explaining—

**Mr. Randeep Sarai:** I only have a few minutes.

**Mr. Alexandre Lévesque:** —but I will do my best at being very concise.

Essentially, as I said in my remarks, the autonomous sanctions regime is composed of two pieces of legislation that are similar but complementary: SEMA and JVCFOA. When one of the triggers included in those two pieces of legislation gets tripped up—and here I would refer to when an international actor is seen to be in contravention of...gross and systemic human rights violations, having committed grave breach of international peace and security, or having committed acts of significant corruption, as well as when an international organization of which Canada is part calls on its members to impose sanctions—we are able to list individuals through a regulatory process under these pieces of legislation.

It is important to note that what we need to do is ensure that we have sufficient evidence obtained through open sources to provide a package that respects due process and the rights of individuals. When we are able to accumulate such evidence, we put through the regulatory system an order in council that, once in effect, blocks in-

dividuals from having personal financial dealings with Canadians. Effectively, it freezes their ability to interact economically with any entity in Canada or any Canadian abroad.

Of course, the first institutions that are seized with acting on this are the financial institutions, which follow this very closely, and that usually leads to an immediate freezing of these individuals' financial assets.

• (1120)

**Mr. Randeep Sarai:** Who decides to impose the sanctions, and what type of sanctions can be imposed?

**Mr. Alexandre Lévesque:** The decision is that of the Governor in Council, on the recommendation on an application from the Minister of Foreign Affairs. Of course, we provide advice and considerations in this term.

For the second part of your question, if you look at SEMA, the types of prohibitions can be anything: asset freezes, dealings prohibitions, import and export restrictions, imposing limitations on financial services and air travel, shipping bans, arms embargoes and, of course, inadmissibility into the country.

**Mr. Randeep Sarai:** How effective have these sanctions been in achieving their objectives?

**Mr. Alexandre Lévesque:** That is a question that is actually the object of some dissertations in the academic world, because the definition of "effectiveness" is not a single one. There are various levels of objectives when a country imposes autonomous sanctions.

Of course, the ultimate and final objective is to effect a change in the behaviour of the offending party. It is not the only objective. There are many interim objectives that could be obtained—for example, constricting the ability to act financially and economically. However, it is also an important signal our government can send: These actions of malicious individuals or entities are unacceptable in a global context. There are, of course, other ways to signal this. This is a pretty powerful and clear one. There is a bit of a shaming factor that comes with it, as well. It also helps by sending a dissuading element to other potential malicious actors. Finally, I would say it serves as a bit of an inspiration for other countries with autonomous sanctions legislation to follow us and join in our actions. There is a multiplicity of potential effects that we would need to assess at any given time.

Let's take the case of Russia, for example. Have sanctions been effective? Depending on which of these definitions you observe, I would say yes. Russia's ability to wage its war has been significantly reduced. Russia's economy has shrunk. Over 1,000 international companies have left Russia. Through very strict export controls on dual-use technology, Russia's ability to integrate computer chips and highly sophisticated material into its weapons supply chain has been significantly reduced, limiting, over the long term, its capacity to wage the kind of brutal war it is waging in Ukraine.

• (1125)

**Mr. Randeep Sarai:** What are the potential consequences of sanctions? There are obviously some consequences that come with them.

**Mr. Alexandre Lévesque:** There are the known and intended consequences, and, of course, the unintended consequences.

One of the consequences we always expect is reciprocity: We do something to them, so they do something to us. There is an impact on our companies. That is why, when permit requests are made, we have to look at the full spectrum of impacts.

Then there are the things we haven't quite thought of, because we can't think of everything when sanctions are imposed and we discover things after they are imposed. That's how we—

**The Chair:** Thank you, Mr. Lévêque.

Next, we will go to Mr. Bergeron.

You have six minutes, sir.

[Translation]

**Mr. Stéphane Bergeron (Montarville, BQ):** Thank you, Mr. Chair.

I thank the witnesses for being here today. I also want to thank them for enlightening us, as well as sharing their experience and knowledge.

According to an article published on March 21, Minister Joly stated that western sanctions in response to Russia's invasion of Ukraine are having an impact, because the world is seeing the “effects on society and how much we're seeing potential regime change in Russia”. She had made that statement previously, in early March. She also said that Canada should isolate Russia “economically, politically and diplomatically”.

Mr. Lévêque, a few moments ago, you said that the Russian economy has shrunk. However, in its April 2023 update, the International Monetary Fund forecast growth of 0.7% for Russia, which is higher than the forecasts for the U.K. or Germany and equivalent to that for France or Italy.

Are sanctions truly affecting the Russian economy?

Doesn't such a forecast about the state of the Russian economy demonstrate that Russia is managing to circumvent sanctions with the support of other countries?

According to one of the recommendations made by the Senate committee, our objectives should be more clearly outlined. What are they?

**Mr. Alexandre Lévêque:** Thank you for those questions.

You're correct. We have also seen the statistics published by the International Monetary Fund.

In my opinion, we need to compare current forecasts of Russia's economic growth with pre-invasion forecasts. In the absence of that invasion and the imposition of such harsh sanctions, Russia's economic growth would have been much higher than 0.7%, as is currently projected.

Are sanctions the fatal blow? Not necessarily. Did they hurt the Russian economy? There's no doubt about that.

That said, it's important to consider which economic sectors were most affected. The purpose of sanctions is not just to shrink Russia's economy, but also to disrupt those sectors most likely to hurt Ukraine.

To go back to what I was saying a few moments ago, I think we need to knock out as many value chains as possible, meaning those refined technological components that can wind up in Russia's weapons supply chain.

Does Russia have strategies to evade sanctions? There's no doubt about that, and that's one of the reasons why it's still able to fund its war.

Russia is a country that exports a huge number of energy products, such as oil and gas. However, not all countries in the world engaging in trade with Russia have an autonomous sanctions regime or would consider implementing one.

We can be very effective only once sanctions are universal, which is why it's important to ensure that we coordinate with our partners and put pressure on countries we maintain diplomatic relations with, countries that don't necessarily have autonomous sanctions regimes but that we have some influence over.

Finally, our objective with regard to Russia remains unchanged. We want to limit the country's capacity to fund its war, diplomatically isolate it and, ultimately, hold it responsible for the damage it's done. That's one of the reasons why our new seizure and forfeiture regime is so unique, and it gives us opportunities to pursue that objective.

• (1130)

**Mr. Stéphane Bergeron:** Indeed, in 2022, Canada became the first G7 country to include legislation on asset seizure in its sanctions regime. It's probably also the first to follow the recommendation to that effect formulated by the Parliamentary Assembly of the Council of Europe.

I must point out that it's very difficult for us, as outside observers, to get a very clear idea of the extent to which the sanctions regimes are proving effective, and determine the real value of frozen and seized assets.

Our understanding is that the order to invoke the powers for asset seizure has been used only once, in relation to the \$33 million in assets belonging to Roman Abramovich.

According to a press release from December 2022, Minister Joly was considering making a court application to forfeit the asset permanently to the Crown.

First, what's happening with that?

Second, why has this new seizure regime been used only once to date?

**Mr. Alexandre Lévêque:** Mr. Chair, I thank the member for his excellent questions.

Mr. Bergeron, you're correct. The estimated value of the bank account we believe is tied to Roman Abramovich is, indeed, \$26 million U.S., which is equal to \$33 million Canadian. It's the only asset that has officially been seized to date.

You asked me what's happening with that. I'll respond that it's new legislation. These are new measures, so there aren't any precedents yet. It's a complex undertaking, since it's the first.

The goal is to maximize the chances of success. Acting in haste, without a very carefully constructed legal case, probably wouldn't work in our favour if the judicial process failed and we weren't able to have the asset forfeited permanently. You're no doubt aware that Russian oligarchs are quite adept at hiding their assets. In this case, a number of international jurisdictions are requesting access to the account. International law and the laws of the respective countries come into play.

Why, to date, only one—

[English]

**The Chair:** I'm afraid, Mr. Lévêque, that you're out of time. We're a minute and a half over. We're going to have to go to the next member.

**Mr. Alexandre Lévêque:** I apologize.

**The Chair:** For the last member for this particular round, we now go to Ms. McPherson.

You have six minutes.

**Ms. Heather McPherson (Edmonton Strathcona, NDP):** Thank you very much, Mr. Chair.

Thank you to the witnesses for being here today and sharing their expertise with us.

This is a study I brought forward for this committee to look at in May of last year, so I'm glad we have begun doing this work. I think it's very important. I think we all understand the importance of having an effective, transparent, consistent and effectively enforced sanctions regime. Certainly, I don't feel confident that is the case. As we listened to some of the questions that came ahead of me.... The failure to implement some of those recommendations that came out of the 2017 report is problematic.

When committees do this work and come forward with recommendations—I know there are 19 recommendations that have come forward from the Senate review—and those recommendations aren't implemented, that gives me pause about whether or not the government is listening to the important work that parliamentary committees are doing.

One of the things we heard from the witnesses to date is the idea that sanctions are used as a signal and that sanctions are used to shame, I guess, those who are being sanctioned. I would put out there that without enforcement of the sanctions, that signal is very diminished. Without transparency and without consistency, that signal we are trying to send is greatly diminished.

The first question I have is with regard, again, to that 2017 study. The foreign affairs committee recommended that the Government of Canada “properly resource and reform the structures responsible for its sanctions regimes, in order to effectively impose sanctions on targeted states and persons”.

I'm wondering how many personnel in Global Affairs Canada are working on the sanctions policy and administration today, and how that has changed since 2017.

• (1135)

**Mr. Alexandre Lévêque:** Thank you for the question.

I will give you the number of people who work exclusively on sanctions and are dedicated to our little team, but it is important to realize that sanctions work at Global Affairs is really a matrix management kind of approach, because we work with the geographic leads and the legal folks. It's difficult to say—

**Ms. Heather McPherson:** Perhaps it would be easier if you could tell us about the change, then. Have more been added since 2017? We know that was a recommendation. Has that happened?

**Mr. Alexandre Lévêque:** Pre-2017, there were maybe two or three individuals who did this full time. Post-creation of a dedicated unit, it was around 10 people. With the new announcement made last October by the Prime Minister to create a beefed-up structure for sanctions management—not just at GAC but, of course, in other departments as well—we will increase this significantly.

We've already increased by about 50% our staff exclusively dedicated to sanctions, and the goal is to multiply that two- or threefold in the coming months.

**Ms. Heather McPherson:** Thank you.

Can you tell me why Russia isn't included in the area control list? As of today, only North Korea is on that list. Has the government considered adding Russia to this list? Would it be an extra layer of assurance that Canadian goods are not contributing to the illegal war in Ukraine?

**Mr. Alexandre Lévêque:** This is an important question, but unfortunately it falls under a different responsibility, which is the export control section. I would commit to you to come back to the committee with a written answer, but I would not be able to give you something that would be entirely accurate at this time.

**Ms. Heather McPherson:** Thank you. A written answer would be great.

When I started, I talked a bit about consistency. We do know—and I'll just read it out to you—that the Senate recommended that the Government of Canada “should seek to be consistent in its global application of autonomous sanctions imposed in response to human rights violations.”

We have seen over the past several years that for Russia, Iran, Myanmar, Venezuela, Haiti and Sri Lanka, individuals from these countries have been sanctioned, but noticeably absent from our list are countries where clear human rights abuses are occurring, where there are extremists in government or where there have been threats to international peace and security. Of course, right now I'm thinking of Saudi Arabia in particular, but we've also heard from some Canadians who are calling for sanctions in other areas: for example, in Uganda, where we have seen their recent anti-LGBTQ2+ legislation, or in Israel, where we have seen illegal settlements happening.

I'm wondering if you could provide more clarity on how that happens. There is very little clarity for Canadians on the decision-making process in how sanctions are applied. They don't seem to be consistent at this point.

**Mr. Alexandre Lévesque:** We definitely took note of that recommendation in the Senate report. Of course, we're peeling through this very diligently, and it's definitely a recommendation we want to take on board to see how we can increase the consistency.

What I would say is that I would reverse the proposition on its head and say that sanctions are one of many tools we have in our tool kit to intervene, to signal or to have punitive impacts on countries. Really, the starting point is, what interests and vulnerabilities do we have in any given relationship? What is the series of tools at our disposal to have the greatest impact? That's where it starts.

Sanctions come in as one of the possible tools, and we are there to provide the support, the advice, the considerations and the potential ramifications when the geographic leads—the people responsible, let's say, for the bilateral relationship with Saudi Arabia or with Iran, etc.—look for additional tools to apply pressure.

On Saudi Arabia, I would say that we may not have a sanctions regime on the country itself, but we have imposed Magnitsky sanctions because of human rights violations due to the murder of Jamal Khashoggi a few years ago. It is an example of a tool we've used without listing the country as a whole. We've been very targeted and have listed the individuals who are believed to be culpable for that horrible murder.

• (1140)

**Ms. Heather McPherson:** Thank you very much.

Thank you, Mr. Chair.

**The Chair:** Thank you very much, Ms. McPherson.

We now go to the second round. For the second round, each member will be provided four minutes.

We start off with Mr. Epp.

You have four minutes.

**Mr. Dave Epp (Chatham-Kent—Leamington, CPC):** Thank you, Mr. Chair.

Thank you to the witnesses for being here today.

I'm going to pick up on the theme of effectiveness. Obviously, that's one of the purposes of this study as well. On Russia's war machine, have there been any evaluations specific to that? I note that suicide drones have been sourced from Iran. I believe that in your opening comments you referenced some of the sanctions applied to players in Iran. They've also been getting ammunition from North Korea. I didn't hear "North Korea" in that opening list of sanctions. Can you comment on that?

**Mr. Alexandre Lévesque:** Yes, absolutely. Thank you for the question.

Yes, we are constantly assessing the impacts, not only because we want to make sure that what we're doing has the greatest possible impact, but also to see how we can adjust the tools to see which targets we can identify to weaken the war machine.

Of course, Russia does not have the most readily available data on its trade. It's not exactly an open government. The sources of information are complicated to obtain, but what I would say is that

that's where the alliances with like-minded countries come in, and we have the United States, the United Kingdom, the European Union and a few others that collect information and look at trade flows. It's not just about looking at what dealings Russia has. It's about looking at the countries that we suspect are dealing with Russia and seeing if there are anomalies among those.

**Mr. Dave Epp:** Thank you.

You also talked about the unintended consequences of sanctions. Certainly Canadians are grappling with high food prices. One of the contributors there is the tariff that we apply to Russian fertilizers and Belarusian fertilizers. Has there been any analysis on the impact of that specific sanction on Russia versus the cost here to our own food systems? I note that our allies seem to have done an analysis and come to a different conclusion than we have.

**Mr. Alexandre Lévesque:** There was a clear determination that was made—and I believe this was announced publicly by the Prime Minister a number of months ago—that we would exclude from the shipping ban and from sanctioned goods anything that goes into food production, precisely because of the concern about the additional pressure it would have on food prices. That is explicitly not something we will prevent the trade of, Russian or Belarusian fertilizer.

**Mr. Dave Epp:** SEMA provides for those exceptions to be noted. We've discussed at this committee the Gazprom turbines before.

Are there any other exceptions that have been granted dealing specifically with Belarus and Russia, dealing with the war, that we are not aware of, excluding the two that we were just talking about?

**Mr. Alexandre Lévesque:** I would say that every case is unique. That's why permits are always assessed on a case-by-case basis. I would say, as a general rule of thumb, that what we look at when there are requests for exemptions, for permits or for confirmation of no prohibition is the significance of granting the permit for Canadian interests and safety and security versus the significance of not—

**Mr. Dave Epp:** Can you identify any specifics?

**Mr. Alexandre Lévesque:** It's anything that would affect our national security or, for example, critical supply chains.

**Mr. Dave Epp:** Have there been others that have been granted?

**Mr. Alexandre Lévesque:** Yes.

**Mr. Dave Epp:** Can you list any specifics?

**Mr. Alexandre Lévesque:** For commercial confidentiality reasons, we're not at liberty to share those, but I can say that whenever critical Canadian interests are concerned, we take that into consideration, and we have granted other permits, yes.

**Mr. Dave Epp:** We are together with our western allies, our NATO allies, in coordinating our sanctions. Has that led to other countries outside of that alliance also joining our western sanctions? Can you comment on that effectiveness?



• (1145)

**Mr. Alexandre Lévesque:** Yes, indeed. I named the usual suspects, if you will, with whom we really coordinate very closely, and that's the U.S., the European Union and the U.K. Very few countries have autonomous sanctions regimes. Japan, I believe, has one. Australia and New Zealand are smaller players, but we coordinate with them as well. Then there's the exchange of information, even with countries that don't have autonomous sanctions regimes, through the G7, the NATO allies and the Five Eyes. There's a lot of exchange of information there.

**The Chair:** Thank you.

Next we go to Ms. Vandenberg.

You have four minutes.

**Ms. Anita Vandenberg (Ottawa West—Nepean, Lib.):** Thank you very much, Mr. Chair.

Thank you for being here today and informing us about how this is functioning right now.

I noticed, Mr. Lévesque, that you mentioned that here are 1,900 Russian and Belarusian officials who have been sanctioned. Could you tell us what this situation would be for Iranian officials?

**Mr. Alexandre Lévesque:** I do have these numbers, if you will just give me a second.

I believe that, for Iran, we have a total of 156 individuals and 192 entities listed under our autonomous sanctions.

**Ms. Anita Vandenberg:** Thank you very much. I know that's of great concern to Canadians.

What about Haiti? What is the current situation for Haiti?

**Mr. Alexandre Lévesque:** The number of individuals to this day who have been sanctioned in Haiti is 19.

**Ms. Anita Vandenberg:** These would be what are known as oligarchs, the ones who are behind the gangs.

**Mr. Alexandre Lévesque:** That's correct. It's a mix of individuals involved in business, what the equivalent of oligarchs would be in Haiti, as well as former politicians who were seen to be influential and who could have made a difference for the better, but instead chose to maintain chaos, destruction and terror.

**Ms. Anita Vandenberg:** Thank you very much. I appreciate that.

Could you tell us how Canada's sanctions regime—including SE-MA and the Justice for Victims of Corrupt Foreign Officials Act, the Magnitsky act—compares to those of some of our like-minded allies, the U.S., the U.K., Australia and maybe some others?

**Mr. Alexandre Lévesque:** Our sanctions regimes have a lot in common, but every legislation is slightly different. We have unique triggers. I spoke about our four triggers before. Other countries will have slightly different ones. Other countries will have different thresholds of acceptability and for what constitutes a sufficient evidentiary package.

Every time we put through an order in council that proposes a new regulation to list the sanctioned individuals, we challenge ourselves. We are challenged by the Department of Justice to make sure that we are not doing so irresponsibly but with enough evi-

dence, which is always from open sources. Some other countries are prepared to accept classified information to documents they are listing.

There are a lot of similarities, but there are very different mechanisms and very different delays, depending on which country you're talking about. In the case of the European Union, they have to agree to everything 27 times before they go forward, which slows them down significantly.

**Ms. Anita Vandenberg:** I'll share the rest of my time with Mr. Zuberi.

**Mr. Sameer Zuberi (Pierrefonds—Dollard, Lib.):** Thank you for being here today.

To pick up on the first question of Ms. Vandenberg, you talked about Russia and Iran.

For China, with respect to what's happening to Tibetans, Hong Kongers and Uyghurs, I'm wondering about the number of sanctions and whether they affect those specific categories.

**Mr. Alexandre Lévesque:** By memory, I want to say it's four individuals and one entity.

**M. Sameer Zuberi:** Thank you.

That's for the Uyghurs. For Tibet, are there any?

**Mr. Alexandre Lévesque:** I am not sure. We're going to have to come back to you with that. I don't want to mislead you.

**Mr. Sameer Zuberi:** Thank you.

**The Chair:** Thank you.

We now go for two minutes to Mr. Bergeron.

[*Translation*]

**Mr. Stéphane Bergeron:** I will be brief, because time is short.

I will give you a chance to finish your answer about Mr. Abramovich and maybe take stock of the effects of sanctions imposed on people involved in corruption and violence, as well as weapons and drug trafficking in Haiti. According to information from the RCMP, it looks like nothing was frozen there.

Can you enlighten us about that?

• (1150)

**Mr. Alexandre Lévesque:** Your previous question sought to determine why only one asset was seized. It's simply because of the problem of access to information. Indeed, oligarchs are very good at hiding their assets. They don't put together lists of what they own here under their own name. It's one of the most significant barriers in terms of access to information.

**Mr. Stéphane Bergeron:** But Canada froze more assets than just those.

Right?

**Mr. Alexandre Lévesque:** That's right. We're talking about bank accounts automatically frozen by financial institutions. However, we have to take into account the fact that it's a very large number of financial transactions. We're talking about hundreds, maybe even thousands of frozen financial transactions. They range from a few hundred to a few thousand dollars, but the accounts don't all belong as such to an oligarch or individual on the list of people targeted by sanctions. They are accounts caught in the institution's net.

I can give the example of a Russian bank targeted by sanctions. All the financial transactions from that bank are automatically frozen here in Canada. Even if it's a transaction going from an aunt to her niece to pay for tuition. That's part of the work we're trying to do, meaning we're trying to clean it all up to make sure no unfortunate circumstances affect people who have absolutely nothing to do with the war in Ukraine.

**Mr. Stéphane Bergeron:** What about Haiti?

**Mr. Alexandre Lévesque:** As for Haiti, technically, as soon as a series of sanctions gets announced, assets are officially frozen. They prohibit all Canadians from engaging in transactions. However, those assets haven't been seized yet.

[English]

**The Chair:** Thank you.

We go next to MP McPherson.

You have two minutes.

**Ms. Heather McPherson:** Thank you, Mr. Chair.

With my very short time, I'll ask you a series of quick questions.

I'd like to follow up on what my colleague Mr. Epp was asking you about, with regard to the permits.

I know that you can't give us specific information, but can you tell us how many requests for permits have been brought forward? How many have been approved? What is the time frame for those decisions to be made?

**Mr. Alexandre Lévesque:** I don't have the precise number with me. I would say the number of requests has probably been in the dozens. I would have to come back with a precise number for what has actually been approved.

Of course, there's a distinction here. Are we talking only about Russia? Are we talking about Iran and Sudan? We have, I think, 16 different countries under sanctions. We would need to do a drill-down.

**Ms. Heather McPherson:** If you could provide that in writing and break it out by country for us, that would be great. How many have been requested? How many have been approved? That would be fantastic.

Really quickly—I'm sorry, but I have so little time—could you spend a little bit of time telling us about how Global Affairs Canada interacts with the RCMP and CBSA on enforcement? How often are you meeting? How does that recommendation process work?

**Mr. Alexandre Lévesque:** That was a key recommendation and I think one of the most important developments. We now have frequent exchanges. The modification of the legislation has also al-

lowed for greater sharing of information, which really enhances our ability, especially in the context of seizure and forfeiture legislation, to target individuals and do a deeper drill-down. We have also established an interdepartmental governance committee, which we chair. Of course, the important departments there are the Department of Finance, the RCMP and a number of law enforcement agencies.

I would say that the co-operation has greatly increased and improved. That is absolutely key to our success. We continue to find ways to improve that coordination, because it's absolutely what we need for greater efficiency.

**Ms. Heather McPherson:** Also, we clearly need it for enforcement.

Thank you very much.

**The Chair:** Thank you.

We next go to Mr. Chong for four minutes.

**Hon. Michael Chong:** I'd like to build on MP McPherson's questions.

Who is the lead within the Government of Canada for the enforcement of sanctions? We know that GAC is the lead for designating individuals and entities to be sanctioned, but who is the lead for the enforcement of sanctions? Is it GAC or is it the RCMP and CBSA?

**Mr. Alexandre Lévesque:** GAC is the regulator. The Minister of Foreign Affairs is the overall administrator of the sanctions regime and has an oversight role. Of course, GAC does not have law enforcement capacity, so enforcement, investigation, etc., are under the purview of the RCMP and Public Safety.

• (1155)

**Hon. Michael Chong:** Is CBSA included?

**Mr. Alexandre Lévesque:** Of course. Yes, I'm sorry.

**Hon. Michael Chong:** Just to be clear here, you are saying that the RCMP and the CBSA are the lead for sanctions enforcement, and not GAC. GAC just plays a coordinating role.

**Mr. Alexandre Lévesque:** Again, I want to—

**Hon. Michael Chong:** Who is the lead within the machinery of government? Who convenes the meetings? If there's to be interdepartmental agency coordination or central agency coordination, is it GAC that takes the lead on that, through its sanctions policy and operations coordination division, or is it the RCMP or the CBSA?

**Mr. Alexandre Lévesque:** Again, I'll say that the Minister of Foreign Affairs is the regulator and the responsible authority for this.

I would like to give the floor to my colleague Ms. Langlois, who could give you a more specific answer.

**Hon. Michael Chong:** Good. Thank you.

**Ms. Marie-Josée Langlois (Director General, Strategic Policy Branch, Department of Foreign Affairs, Trade and Development):** Thank you very much for the question.

As you know, the different authorities for the various elements of the sanctions regime are situated across various departments. It very much depends on what we're talking about. For example, an investigation in the case of a Canadian who has done something that contravenes the law would fall under criminal police powers and therefore go to the right agency, which is the RCMP in that case.

**Hon. Michael Chong:** Would GAC be the lead in any interdepartmental agency coordination?

**Ms. Marie-Josée Langlois:** We would coordinate on elements in which we can get involved. We wouldn't be able to have information on investigations that—

**Hon. Michael Chong:** Let me give you a parallel example. I think the United States is far more effective at enforcement. The State Department, like GAC, makes the decision on whom to designate, whether individuals or entities, for sanctions regulation, but it's the treasury department that is the lead on enforcement through OFAC, their unit that enforces sanctions. It's very clear that if there's to be any interdepartmental coordination or any coordination with law enforcement, it's the treasury department that leads the coordination effort.

It seems to me there's a problem within the machinery of government in our system where, if I look at it, we have GAC designating individuals and entities to be sanctioned, and then it's not clear who the lead is within the machinery of government for all the interdepartmental and agency coordination. We have the RCMP and the CBSA, which are responsible for enforcement, but GAC also has the overall administrative responsibilities, as you were telling me.

We have this sanctions policy and operations coordination division within GAC, which received, along with the RCMP, some \$76 million last October from the government. At the same time, in budget 2022 last year, the government announced a new Canada financial crimes agency. Nobody can tell me how that relates to sanctions enforcement. Then, also within GAC, we have the export and import permits division, which is also responsible for processing applications for import and export permits separate from applications under SEMA and other sanctions legislation.

It just seems to me that there's a problem within the machinery. There doesn't seem to be a single lead to coordinate interdepartmental and agency coordination. To me, that seems to be a big problem.

I'll finish on that, Mr. Chair.

**The Chair:** Thank you, Mr. Chong.

For the last question, we go to Dr. Fry.

Dr. Fry, you have four minutes.

**Hon. Hedy Fry (Vancouver Centre, Lib.):** Thank you very much, Chair.

I want to thank the witnesses for coming, but there are still so many questions. I think the whole concept of what a sanction is is

in question here. What is a sanction? How do you define it appropriately so that everyone knows what that sanction is? How do you decide who, in a country, is going to be sanctioned? For instance, if you have a country like Russia that is in fact violating all of the international laws and waging war against another country, how do you decide exactly whom in that country to sanction, because you cannot sanction everyone?

The question then is, if Vladimir Putin and the Russian government are waging war against Ukraine, do you sanction the army, do you sanction generals, do you sanction his Parliament, do you sanction the Duma? How do you decide whom to sanction? I think a lot of people fear that if you sanction Russia, for instance, any Russian is going to be sanctioned, just because they happen to be Russian.

How do you make those decisions?

• (1200)

**Mr. Alexandre Lévesque:** Thank you very much for the question.

The first part, on what a sanction is, is interesting, because if you look at our legislation, you see the word “sanction” is actually not used. It is a generic term, and countries understand what it refers to. It's an imposition of limitations on individuals.

We generally talk about economic measures. Sanctions can of course be of other types, but the main output of our legislation is to limit the economic dealings between a listed individual and Canadian entities.

**Hon. Hedy Fry:** How do you list those individuals?

**Mr. Alexandre Lévesque:** It's through orders in council and the publishing of the names.

To answer the second part of your question, on how we decide, this is done on the basis of what we want to accomplish. Again, that's why it's a flexible tool, but it's not the only tool that we have when we want to send a message or to restrict the ability of a country to act maliciously.

In the case of Russia, for example, we have close to 2,000 individuals and entities listed, and it pretty much covers all the categories you included below President Putin. It's the individuals who are close to him. It's the individuals in the Duma. Hundreds of them are listed, because either we know they are complicit—and we know this because of their voting record in the Duma—or we know they have the ability to change things. We want to exert pressure on them to apply pressure on the regime. It's also the oligarchs, because we know of their proximity to the regime. First of all, there's the fact that they've gained from a criminal regime, and second, they have an ability to put pressure on political decision-makers.

It's all of the above.

**Hon. Hedy Fry:** Thank you.

I want to focus a little bit on the fact that you said it was people who were close to Vladimir Putin. Does that mean his family? Again, people are suggesting that if you are going to deny visas to certain people to come to Canada or deny refugee status—we're not talking only about economic sanctions—what if people within Mr. Putin's family don't agree with him? What if they quietly disagree with him? What is your intelligence source?

What have you learned, say, from looking at how you were successful or not successful in the Magnitsky sanctions? Have you learned anything? How do you ensure that flexibility isn't so flexible that it brings in innocent people? I think that's what makes people afraid.

**Mr. Alexandre Lévesque:** Yes, family members of some Russian leaders and oligarchs are also listed when we have reasons to believe that they'd benefit from the proceeds of their illicit activities.

That's the thing. We list individuals whom we have very good information on, which leads us to believe in their culpability by association. It is absolutely not a tool to block all Russians from coming into the country or from having dealings with Canadians. That's why we have to be very diligent about how we find the information before we list such individuals.

**The Chair:** Thank you very much. I'm afraid you're way out of time.

**Hon. Hedy Fry:** Okay, thank you.

**The Chair:** Thank you.

Allow me to thank our three witnesses. Thank you very much, Mr. Lévesque, Madame Langlois and Mr. Burrige. We are very grateful for your expertise and for your appearing before us today.

We will be moving to the second panel of officials. We will suspend for approximately three to four minutes to allow them to assume their seats.

For everyone who is joining us virtually, there's nothing you have to do. You can just remain on the current link. Thank you.

● (1205) \_\_\_\_\_ (Pause) \_\_\_\_\_

● (1211)

● (1210)

**The Chair:** Welcome back to our resumption of the study of the sanctions regime in Canada. We have quite a few officials here helping us navigate our way through this regime.

We have, from the Canada Border Services Agency, Mr. Fred Gaspar, vice-president, commercial and trade branch; and Mr. Richard St Marseille, director general, immigration policy and external review.

Then, from the Department of Finance, we have Mr. Jeremy Weil, acting senior director, financial crimes governance and operations.

From the Financial Transactions and Reports Analysis Centre of Canada, we're grateful to have with us today Ms. Annette Ryan, deputy director, partnership, policy and analysis; Stéphane Sirard, assistant director, program delivery and modernization; Derly

Lavertu, manager, international relationships; and Michael-John Almon, manager, strategic intelligence, research and analytics.

Finally, from the RCMP, we have Chief Superintendent Richard Burchill, director general of the financial crimes division; as well as Denis Beaudoin, director of the financial crime division.

Now, I understand that no one would like to make opening remarks, which leaves us with more time for the members to ask their questions.

We first go to Mr. Chong.

Mr. Chong, you have six minutes.

**Hon. Michael Chong:** Thank you, Mr. Chair.

I'd like to build on some of the questions I asked the first panel.

Thank you for appearing.

In the United States, the State Department has the lead responsibility for the designation of sanctions, but the treasury department has the lead role for the administration, coordination and enforcement of sanctions.

Here in Canada, Global Affairs, like the State Department, is the lead for the designation of sanctions. We know, obviously, that the RCMP and the CBSA have the lead for the enforcement of sanctions, but my question is slightly different: Who is the lead for interdepartmental and agency coordination on sanctions enforcement?

**Mr. Fred Gaspar (Vice-President, Commercial and Trade Branch, Canada Border Services Agency):** It's an iterative process. Certainly, officials have great working relationships. There are working-level committees and regular committees. There is no one person who is in charge of interdepartmental organizational models. I can certainly tell you that there is no organizational barrier to our working well together. We do it every day.

● (1215)

**Hon. Michael Chong:** Well, I would suggest that this, in itself, is a problem. There needs to be a lead department or lead agency that is responsible for the administration, coordination and enforcement of sanctions. As we've seen in other cases, if there is no lead, things get lost in the shuffle. The buck has to stop somewhere on enforcement. It is my view that one of reasons we don't do that well in sanctions enforcement is this problem within the machinery of government.

We have a number of new initiatives coming online to try to beef up our enforcement of sanctions. That's just going to add to the organizational complexity of the current system, which is already complex. I think about the new federal beneficial ownership registry that's going to be coming online. That's going to be under the industry department. We have the proposed new Canada financial crimes agency. That will be another organization within the machinery. If there's no lead with those proposed entities, with FINTRAC, with GAC or with Public Safety, then I think it's going to lead to weaker enforcement.

Perhaps I could ask you a question on this proposed Canada financial crimes agency, which was announced over 12 months ago. Where is that going to fit into sanctions enforcement?

**Superintendent Denis Beaudoin (Director, Financial Crime, Royal Canadian Mounted Police):** If I may, I'll just go back. Maybe I can shed some light on your first question. The RCMP views GAC as the lead on sanctions.

I think that enforcement encompasses two prongs. When sanctions evasion becomes criminal, the RCMP and the CBSA are definitely the leads to investigate criminality. As far as deciding who is designated goes, which asset is going to be frozen and whether it's going to be forfeited, that falls under Global Affairs.

**Hon. Michael Chong:** Yes, but if FINTRAC is not giving you the information you need, then whose responsibility is it to lead the charge on fixing that flow of information?

**Supt Denis Beaudoin:** As of now, I know measures have been announced. Jeremy is better placed to answer.

**Mr. Jeremy Weil (Acting Senior Director, Financial Crimes Governance and Operations, Department of Finance):** I'm happy to add a bit of context. As you noted—I listened to your questions earlier—budget 2022 announced the creation of the financial crimes agency. Budget 2023 provided a bit of an update. Our colleagues at Public Safety Canada are currently developing options for the potential scope and mandate of such an agency.

What I'm privy to at this point is that sanctions evasion as a financial crime—just like fraud, money laundering and terrorism financing—is in the universe of the potential sorts of crimes that such an agency could potentially provide support on, be it in an advisory capacity or in an enforcement capacity.

**Hon. Michael Chong:** That's helpful.

Can you tell me when that agency is going to be stood up?

**Mr. Jeremy Weil:** I think budget 2023 promised Canadians an update in the fall economic statement for 2023.

**Hon. Michael Chong:** Budget 2022 promised that in the fall economic statement of last year, and we never got it. Do you have any more sense of when this agency is going to be stood up?

**Mr. Jeremy Weil:** I'm sorry, but I don't have any more for the committee in terms of timing, except that there will be more to share in the fall.

**Hon. Michael Chong:** Just to go back to this question of information flows, if FINTRAC isn't providing the RCMP with the information it needs, who's responsible for ungluing that stuck problem?

**Mr. Jeremy Weil:** I was listening to the previous panel. Mr. Lévêque mentioned that it really is a shared effort, a collective effort. That's why you have all of us here today.

**Hon. Michael Chong:** That's a problem. We had the same issue with evacuating Afghans who had enduring and significant ties to Canada. There was clearly a lack of interdepartmental coordination. I'm hearing similar things here. I think there is a machinery problem. Within the Government of Canada, there has to be a lead on enforcement. If it's GAC, so be it. If it's Public Safety, so be it. When we're adding complexity to the system, with a new registry and with a new financial crimes agency, if we don't clarify who is the lead within the Government of Canada, who can be hauled on the carpet to explain why sanctions are not being enforced, I think it will be all for naught.

Thank you, Mr. Chair.

**The Chair:** Thank you, Mr. Chong.

We next go to Mr. Zuberi.

You have six minutes.

**Mr. Sameer Zuberi:** Thank you all for being here today. I know it's a large panel.

I'd like to pick up on a brief line of questioning I had in the previous panel. Canada announced that four individuals and one entity are on the sanctions list because of grave and serious crimes that are being committed against the Uyghur people in China. We have listed those individuals and one entity. What are the impacts of that? Can anybody respond to that? What are the real impacts in terms of what has happened as a result of those listings?

• (1220)

**Mr. Jeremy Weil:** I would just intervene to say that it's probably a question that would have been better put to Global Affairs Canada in the previous panel. I don't think that I, from where I sit at the department, or my enforcement colleagues would have any information to that effect.

**Mr. Sameer Zuberi:** The reason I am asking this panel is that we learned that Global Affairs chooses who is on the sanctions list, but I believe you are responsible for the enforcement of it. Am I correct?

**Mr. Richard St Marseille (Director General, Immigration Policy and External Review, Canada Border Services Agency):** Thanks for your question. I can speak to that from the immigration perspective in particular.

From an immigration perspective, as the committee would know, we were just here a couple of weeks ago on Bill S-8. There is a legislative gap on the inadmissibility side of the sanctions provision. Sanctions issued for breach of peace and international security do not trigger inadmissibility today. If Bill S-8 were to receive royal assent, it would trigger inadmissibility. Similarly with respect to entities, that's also a gap that would be closed if Bill S-8 received royal assent, which aligns with a recommendation from Parliament in a 2017 report.

If I may just take a moment to address the interdepartmental coordination aspect, from an immigration perspective, as found in IR-PA, the policy responsibility for inadmissibility due to sanctions rests with the Minister of Public Safety. It's the CBSA that will do interdepartmental coordination with GAC. We consult on the development of the regulations, and then we ensure that our systems with the immigration department are updated to ensure that lookouts are entered for people who are inadmissible so that we are all able to effectively enforce those provisions on the immigration side.

**Ms. Annette Ryan (Deputy Director, Partnership, Policy and Analysis, Financial Transactions and Reports Analysis Centre of Canada):** Mr. Chair, if I could respond on the financial side from a FINTRAC perspective, I would build on the response from my colleague at GAC, who spoke about the economic measures having an impact commensurate with the economic relationship with Canada.

To the extent that the individuals you speak about have financial dealings with Canada, we in FINTRAC would have, essentially, measures in place to ensure that financial institutions build these considerations into their risk management frameworks, that they take appropriate measures to limit their business dealings with such individuals, and that they take appropriate steps to report any problematic transactions or ownership of property to the RCMP in the case of sanctions.

I would offer that, among ourselves, this is quite clear. I think we can speak to that in turn as we go along.

**Mr. Sameer Zuberi:** Thank you.

I'm looking at the list right now of the four individuals and one entity. The entity in question, in the Uyghur region, was the Xinjiang Production and Construction Corps Public Security Bureau. This entity is involved in construction. It is on our sanctions list.

I'm curious to know if there is a dive being done in terms of Canadian companies that may have relationships. If so, are they being put under the microscope? If people are inadvertently, let's say, entangled with that company, is there something that's being done to disentangle them?

**Ms. Annette Ryan:** I would say that if the entity has financial relationships with Canada, the provisions would apply via private sector partners in the first instance. If those relationships are through a trade channel, that would be something that CBSA could speak to.

**Mr. Fred Gaspar:** Yes, and on that point, I can confirm that those kinds of companies form part of the type of analysis that our intelligence program does in issuing lookouts and targets for in-

bound imports. That is definitely a key component of import declaration lists against which we run our targeting program.

That is something that's core to what we do, and it's information we share and exchange with our international trading partners per our customs mutual assistance agreements, where appropriate, to ensure that there's a cohesive approach.

• (1225)

**Mr. Sameer Zuberi:** We've heard that one shipment that originated from the Uyghur region was stopped, but was later permitted to enter. This, I know, is not specific to our testimony. I hope to hear what areas of improvement you have for us.

I'm sorry. I used up all my time, but maybe in your other answers you could share what areas of improvement you have for us.

Thank you.

**The Chair:** Thank you.

Next we go to Mr. Bergeron.

You have six minutes.

[*Translation*]

**Mr. Stéphane Bergeron:** Thank you, Mr. Chair.

Sometimes, applying a measure indiscriminately leads to the opposite of the desired effect. In fact, that was the case with part of the order implemented in March 2022. It subjected all goods coming from Russia or Belarus to a 35% customs tariff. It was part of the sanctions Canada levied against Russia after it invaded Ukraine.

However, a significant amount of fertilizer imported for farming in Canada and Quebec came from Russia. In Quebec, nearly half of imported fertilizer came from Russia. That means our farmers had to pay the price for importing those fertilizers. It led to increased farming costs in Canada and Quebec, so much so that Russian agricultural products became more competitive than Canadian products on international markets.

When the Canadian government became aware of the situation, it promised to compensate Canadian and Quebecois farmers. However, there has not yet been any compensation. It would seem that there's a dialogue between grain farmers and the government of Canada. However, there are currently no measures to support our farmers, so much so that Canadian agricultural products are less competitive than Russian products on international markets because of this measure.

The sanction intended to penalize Russia, but we actually got the opposite effect. We penalized ourselves and favoured Russia.

Where are we at in this file?

[English]

**Mr. Fred Gaspar:** It's certainly true that importers are responsible for paying applicable duties and taxes, be they duties that are normally ascribed through the customs tariff or duties that are done through the Special Economic Measures Act. It is certainly true, and there are unintended consequences when that occurs.

I can't speak to any policy considerations that the Government of Canada may have in that regard or with regard to compensatory measures. You're absolutely correct that it is the importer who is liable for paying the applicable duties.

[Translation]

**Mr. Stéphane Bergeron:** If I understand correctly, you're not able to enlighten us about the state of negotiations between Canadian grain farmers and the government of Canada on reducing the unintended effects of applying this measure to everyone, which not only punishes our farmers, it boosts Russian agricultural products on international markets.

Is that right?

**Mr. Fred Gaspar:** That's right. I can't give you any follow-up on it right now.

**Mr. Stéphane Bergeron:** Very well.

Is it possible for you to check with the appropriate people and send us the answers, if any?

**Mr. Fred Gaspar:** Yes, we will follow up with our colleagues and communicate with the committee.

**Mr. Stéphane Bergeron:** Thank you very much.

In the last update on sanctions, the RCMP provided details on several points, including "there have been no reports of frozen assets."

What are we to make of this somewhat enigmatic statement?

**Supt Denis Beaudoin:** First of all, we need to understand the RCMP's role when a person or company gets designated. When Global Affairs Canada designates a person, banks search their systems and check to see if they have assets there. I'm using banks as an example, but all Canadian companies are responsible for conducting those checks.

Then, they have to freeze said assets and notify the RCMP. In those cases, we record everything frozen by financial institutions. The sentence you read means we don't have any information indicating that financial institutions or other Canadian companies froze any assets.

• (1230)

**Mr. Stéphane Bergeron:** Very well.

We have one of two things: To date, either no assets were seized, or no entity responsible for seizing or freezing assets sent you any relevant information.

Is that right?

**Supt Denis Beaudoin:** That's right.

**Mr. Stéphane Bergeron:** In that case, regarding Haiti, how do we find out if there's been any follow-up in applying sanctions to a certain number of individuals?

**Supt Denis Beaudoin:** What do you mean by "follow-up"?

**Mr. Stéphane Bergeron:** We applied sanctions to a certain number of individuals involved in corruption and weapons trafficking, specifically in Haiti. Announcing them is well and good, but we expect them to be applied.

So, I'd like to know if anyone can update us on how those individuals are being sanctioned. I think Canada has proven its virtue and will by applying the sanctions. That said, since the RCMP has no information on those individuals' seized or frozen assets, I'd like to know who can update us on it.

**Supt Denis Beaudoin:** I think Global Affairs might have been in a better position from the outset to explain the reasons leading to those individuals being sanctioned.

**Mr. Stéphane Bergeron:** I don't want to know why. That's not the question.

**Supt Denis Beaudoin:** It might also be the effects...

**Mr. Stéphane Bergeron:** Since the decision to sanction these individuals was made, but you have no information confirming they were sanctioned, the question is: who can tell us whether or not they were sanctioned?

**Supt Denis Beaudoin:** I think they were. It's possible, however, that they don't have any assets in Canada.

**Mr. Stéphane Bergeron:** Can you check and send the results to the committee?

[English]

**The Chair:** Thank you, Mr. Bergeron. We're a minute over.

[Translation]

**Mr. Stéphane Bergeron:** Mr. Chair, I'm just asking if they can check and send the results to the committee.

[English]

**The Chair:** Mr. Bergeron, we're a minute over your time.

[Translation]

**Mr. Stéphane Bergeron:** In any case, I asked the question.

[English]

**The Chair:** Thank you.

We next go to Ms. McPherson.

You have six minutes.

**Ms. Heather McPherson:** Thank you very much, Mr. Chair.

Thank you to the witnesses for being here and answering our questions.

I do have to say that, listening to some of the testimony so far, I'm deeply concerned that the enforcement of the sanctions is a problem. Putting folks on a list and then not enforcing it is not an effective sanctions regime.

I'm going to start with some questions for our guests from the RCMP.

In 2016, at this committee, the RCMP indicated that they had only one successful conviction under SEMA since 1992. The RCMP superintendent at the time, Steve Nordstrum, said:

The RCMP has limited resources... [W]e try to prioritize to address the highest priority projects and crimes, predominantly to prevent the loss of life and investigate terrorist acts that could lead to the loss of life, or other such items that do receive a higher priority rating.

What I understand from that is that investigations into sanctions violations at the time were not considered a priority.

I'd like to know how many convictions there have been under SEMA or other sanctions legislation since 2017. I'd like to know whether staff numbers for enforcement of sanctions have increased since that time. I'd also like to know if you would agree with your predecessor that the RCMP has limited resources and has chosen to prioritize other types of crimes.

**Chief Superintendent Richard Burchill (Director General, Financial Crimes, Royal Canadian Mounted Police):** Thank you very much for the question, Mr. Chair.

In relation to the resources, I wouldn't say we have limited resources. I would say that we give sanctions investigations high priority. They're a priority for us. They're a priority for our regime partners. We use the resources that we have in place to support the sanctions regime to the best of our ability.

In relation to other priorities, it probably hasn't changed since 2016, in that we in federal policing, like any other organization, have competing priorities. That's not to say that, number one, we don't apply the resources that we have within the financial crime program to exert our ability in the sanctions investigations. We do that, but on a second level, we would always welcome the opportunity for increased resources and the ability to further enhance our capabilities in this area.

Does that answer the question?

● (1235)

**Ms. Heather McPherson:** I'm sorry, but I have such limited time.

I asked how many staff you have and whether or not the staff numbers for the enforcement of sanctions have increased since 2016.

Also, could you provide how many convictions there have been under SEMA or other sanctions legislation since 2017? Perhaps this is something you can provide in writing to the committee afterwards.

**Supt Denis Beaudoin:** There hasn't been a conviction since the last appearance.

What's important to realize is that the use of sanctions has only increased dramatically in the last year and a half. What we've ob-

served is an increase in investigations on sanction evasion. Again, this is criminal in nature. It is for the RCMP and the CBSA to conduct these investigations.

**Ms. Heather McPherson:** There have been no convictions since 2016. Is that accurate?

**Supt Denis Beaudoin:** Yes.

**Ms. Heather McPherson:** Okay. Thank you.

My next question, before I run out of time, is for our guests from CBSA.

In August, it was revealed that CBSA disrupted an attempt to send materials to Russia in violation of sanctions imposed following the invasion of Ukraine. This was at the port of Montreal. The shipment was one of more than a dozen with "suspected links to Russian entities" that the Canada Border Services Agency said resulted in action.

Can you provide to this committee in writing details about the number of attempted shipments seized by CBSA in the last two years that were in violation of the sanctions? Can you tell us that and then, if possible, provide an estimate of how many you think have been missed?

**Mr. Fred Gaspar:** Yes, absolutely. We'll certainly commit to getting back in writing with precise details.

I can tell you now that the CBSA has risk-assessed over 700 shipments since the provisions came into effect. These are shipments with a declared end destination of Russia. Of those, 40 formal detentions have ensued, including a number of seizures and shipments that were then withdrawn from export.

There's definitely more work to be done. There's definitely more that we can always do in that regard, but it is very much an activist posture that we are taking with regard to this mandate.

**Ms. Heather McPherson:** Thank you for that. I would also like to know how many shipments there are to other destinations with Russia as the end-user—so, not just directly to Russia but to other areas.

I have one last question. I hope I have some time to get to this.

We have heard from people, particularly with regard to Iran and Haiti, who want to be able to provide information to the Government of Canada about folks who have been sanctioned—assets, that sort of information. What would that process look like? Whom would they contact? How would they get in touch with the Government of Canada if they had information on the sanctions regime?

**Supt Denis Beaudoin:** I can speak to sanction evasion. We have received complaints from Canadians and others about people who evade sanctions. As I said, we have an increase in the number of files and investigations we do on sanctions evasion. Definitely, anybody with information on people evading the sanctions regime can contact the RCMP to provide their information as far—



**Ms. Heather McPherson:** If there are people who should be added to the sanctions list, is that also to be provided to the RCMP?

**Supt Denis Beaudoin:** No. As I said earlier, Global Affairs is the lead in deciding who gets listed and designated on sanctions. They would be the contact point for this.

As I think Mr. Lévesque alluded to, they rely on public information. The RCMP is not involved in that process.

• (1240)

**Ms. Heather McPherson:** Thank you, Mr. Chair.

**The Chair:** Thank you, Ms. McPherson.

Now we go to the second round, and we go to Mr. Hoback.

Mr. Hoback, you have five minutes.

**Mr. Randy Hoback (Prince Albert, CPC):** Thank you, Chair.

Thank you, witnesses, for being here.

I'm just curious. You say you work really well together. I'm glad to hear that. When there's a problem, who calls the meeting?

**Mr. Richard St Marseille:** Speaking with respect to the inadmissibility consequences of sanctions, if there is an issue with a listing, it would be the CBSA that would convene the meeting—

**Mr. Randy Hoback:** You would chair the meeting, and you would assign responsibilities at that meeting.

**Mr. Richard St Marseille:** On the inadmissibility immigration consequences, we would be the lead.

If it has something to do with who is sanctioned or with somebody wanting to get off the sanctions list, that would belong to Global Affairs.

**Mr. Randy Hoback:** Okay.

Would Global Affairs take the lead in calling a meeting if it's something that involves more than one or two departments, or would it be Public Safety?

**Mr. Richard St Marseille:** With respect to the immigration provisions, we will call the interdepartmental meetings if there's an issue with the administration of the inadmissibility provision. If it's an issue with respect to who is listed or delisted, Global Affairs will. I know from experience that our colleagues at Global Affairs have called interdepartmental meetings when there's an issue with interdepartmental coordination.

**Mr. Randy Hoback:** Even though they don't necessarily have the responsibility—because nobody does—they take the lead. Is that fair to say?

**Mr. Richard St Marseille:** Yes. I would say it would go to them. They have in the past, I know, when the sanctions were—

**Mr. Randy Hoback:** So you default that to Global Affairs, then.

**Mr. Richard St Marseille:** That's correct.

**Mr. Randy Hoback:** My next question is for the RCMP.

You talk about capacity and having enough capacity. We just had auto manufacturers come through here—CBSA might be involved with this—and they were complaining about theft of vehicles in the region going through the port of Montreal, and the CBSA and the

RCMP were unable to stop it. If you don't have the capacity to stop something as simple as stolen vehicles being exported out of Canada, how do you have the capacity to take on something more complicated, like what we see in this type of legislation?

**C/Supt Richard Burchill:** As it pertains to vehicle theft specifically, a lot of the vehicle theft entry into the country or exit out of the country is the mandate of the police of jurisdiction. The RCMP doesn't have a federal mandate with the car theft issue per se, but we do work with our policing partners and use our connections and our multi-jurisdictional international contacts to—

**Mr. Randy Hoback:** Here's an example, though. If you don't have a mandate, if you don't have clear lines defining who's responsible, it falls through the cracks. Is that fair to say?

**C/Supt Richard Burchill:** What I would say is that it's not that we don't have a clear responsibility. Where the RCMP is the police of jurisdiction, we certainly do. What I'm saying is that, as the federal police force, particularly in the provinces of Ontario and Quebec, we would work with our police of jurisdiction partners to effect any kind of auto theft investigation—

**Mr. Randy Hoback:** That's fair enough.

**C/Supt Richard Burchill:** —which is separate and apart from a federal policing mandate for sanctions evasion, where we're working with financial crime at a federal level. The resourcing for that particular function would be different. We're not saying that we don't have people to do it.

**Mr. Randy Hoback:** It's just not a priority.

**C/Supt Richard Burchill:** We're saying that, as with any organization and being a large policing organization, we have competing priorities within federal policing. We do give sanctions evasion priority.

**Mr. Randy Hoback:** Don't we have that same issue, then, in regard to items that are on the sanctions list or people shipping items that would be on the sanctions list where you get into jurisdictional issues as to whether it's federal or provincial or whether it's CBSA? How do you resolve who has jurisdiction?

For example, let's say I stole a car and I'm going to ship it to Russia. Who will be the one to prosecute? Who will be the one to stop it? Would it be CBSA? Would it be the RCMP? Or would it be provincial police?

**C/Supt Richard Burchill:** With respect to the question about who would have jurisdiction, where sanctions evasion is concerned, the RCMP has jurisdiction on those investigations. If we require assistance from the police of jurisdiction, outside of us being the lead on those investigations, we would certainly engage that help, but we do have the mandate for those investigations.

**Mr. Randy Hoback:** Do you find it awkward or hard when you're not an established unit that's there consistently in regard to sanctions? Is this something that Canada should have in place at all times instead of just when we feel that we need to bring it into a different group? Should we have a sanctions department? I'm not sure what you'd call it. I know you were talking about the financial crimes agency, but that's been announced and never brought forward.

Is there the capacity to actually do this in the long term? For example, if we see aggression coming out of Asia into the Pacific, do we have the ability to actually go into our supply chains and say, okay, these items are all sanctioned? How would we do that? Who would provide that information? Would CSIS provide the information? Would the RCMP provide the information to GAC on whom to target?

• (1245)

**The Chair:** Answer very briefly, please.

**Mr. Randy Hoback:** You probably need 20 minutes to answer that one.

**Supt Denis Beaudoin:** Yes, as I said, there's legality behind it. We don't provide any information to Global Affairs as to whom to target or whom to list.

**Mr. Randy Hoback:** You don't collect the evidence for it.

**Supt Denis Beaudoin:** No, I'm not talking about evidence. I'm talking about information for them to decide who gets designated. I think this is a policy decision. This is why the RCMP—

**Mr. Randy Hoback:** It's a policy decision on—

**The Chair:** Mr. Hoback, I'm afraid you're out of time.

We next go to Mr. Oliphant.

You have five minutes.

**Hon. Robert Oliphant (Don Valley West, Lib.):** Thank you, Mr. Chair.

Thanks to all of you for being here.

I think I'm going to come at this a little differently than some of my colleagues have. We've already been hearing about a treatment and medications and prescriptions without having done a diagnosis. We haven't even done symptoms and signs of what the problems are.

I'm not going to jump to the conclusion that we need a lead, because that's a simplistic answer for me. What I'd like to know a little bit about from you is how we can help you do the job that we want done better. That's our goal.

I would start out by saying that it's Parliament that gives you your resources, not the government. Parliament has done that. We have estimates here all the time where no one asks questions about what we need to actually give you. I'm going to try to help you to help us do the job that we share and collectively want to do. I want estimates. Someday we'll actually talk about money and that kind of stuff, because it's our job to give you the resources you need.

I want to start off by saying that the government announced and Parliament did approve some \$76 million for the sanctions regime, some of it going to Global Affairs on the determination of sanctions and some of it going to the RCMP on the enforcement and, I believe, the evidence that is used to determine sanctions as well. I think the RCMP is involved before and after, to a degree, in what's going on.

Can you tell us, is that money enough? Do you need more money? Are you under-resourced? What would be helpful?

I will give each of you a chance to do that. Maybe I'll start with the RCMP. This is your time, and then we'll end it when we get there.

**Supt Denis Beaudoin:** We did have a say in the \$76 million that was announced. We requested money specific to sanctions so that we can designate individuals responsible for specific tasks. What we've found since then is that sanctions evasion is a bigger issue than anticipated.

To go back to my earlier statement, sanctions by Canada weren't widely used, not like they have been in the last 18 months. Again, if you're not sanctioning or designating many people, you're not going to have the same level of sanctions evasion. Everything is interconnected. What we've found since then is that sanctions evasion investigations have increased. Canadians are contacting us with this type of information. It is criminal in nature. It is, as my colleague has said, our responsibility to do it. We have jurisdiction over that crime.

Definitely, if Canada continues its use of sanctions, we're going to need more resources to better enforce. When I talked about enforcement, I differentiated earlier, but I'm talking about sanctions evasion, which is criminal.

**Hon. Robert Oliphant:** Given what we've done in Belarus, Russia and Ukraine, over what we did in the eight countries where we previously had sanctions, it's over tenfold, so you need more resources.

**Supt Denis Beaudoin:** I would say that as far as the work goes, it's much more than tenfold. Whereas seldom would we get disclosure from the banks, for example, two years ago—and these disclosures were very minor—now we're getting a lot more of them.

**Hon. Robert Oliphant:** I want to give CBSA a chance.

**Mr. Fred Gaspar:** To answer your question directly, I'm not sure whether any officials have ever come before you and told you they have enough resources, thank you very much. If your purse strings are open, we'll take them, but—

**Hon. Robert Oliphant:** Take your time to submit to us what you need. It's not the government that gives you the money; it's Parliament.

• (1250)

**Mr. Fred Gaspar:** I understand, yes.

**Hon. Robert Oliphant:** Come back to us to talk about this in real terms.

**Mr. Fred Gaspar:** Yes. That's really the context that I want to provide to you.

Because the CBSA administers over a hundred different legislative, regulatory and international treaty requirements at the border, our posture is to always put in place an effective and appropriate risk mitigation and measurement framework.

We're never going to be able to do everything perfectly all the time. We've been investing quite heavily in a modernization regime, which is really grounded in data, so that we'll be able to respond to volume growth and expanded mandates and zero in on and apply a risk-based approach that makes sense and is appropriate to the priorities of the Government of Canada, as confirmed to us by the minister through the mandate letter.

From our perspective, certainly our resources are always a discussion that can be had, but we're not letting that stop us. It's not something that's preventing us from—

**Hon. Robert Oliphant:** On something specific, you can come back to us.

I want to hear from FINTRAC, please.

**Ms. Annette Ryan:** I appreciate the question.

From a FINTRAC perspective, I would say that what we appreciate from Parliament is essentially a set of interlocking authorities that let us work with our partners. Specifically, Parliament established FINTRAC just over 20 years ago to have a role in terms of sharing information in respect of money laundering, terrorist financing and threats to national security.

What our colleagues at Finance have put before the House in Bill C-47 includes strengthening that mandate to allow our regulated reporting entities to report to FINTRAC directly in respect of sanctions, sanctions evasion and property related to sanctions. This will help us to work with our partners. Those authorities are also before the House, and we appreciate it.

**Hon. Robert Oliphant:** Thank you. Do submit.

Could I mention, too, that I think we're going to need more than three meetings? I wanted to raise that. We're just starting this thing.

I want to put that on record, because we may need you back—just to warn you.

**The Chair:** Thank you.

We will now go to Mr. Bergeron.

You have two and a half minutes, sir.

[*Translation*]

**Mr. Stéphane Bergeron:** Thank you, Mr. Chair.

The reasoning Mr. Oliphant just gave us is both entirely appropriate and in line with reality, but it's incomplete. It's incomplete in the sense that Parliament is in fact the one that grants funds to the government, but on the basis of the government's recommendations. The government tells us what it needs, and Parliament grants or withholds funding.

Parliament can also make suggestions. In fact, in 2017, this committee recommended the following: "The Government of Canada should ensure that law enforcement agencies highly prioritize the enforcement of sanctions measures and are given the necessary resources to fulfill their duties."

The government didn't ask for a cent from Parliament to move on what this committee recommended. It took Russia's invasion, five years later in October 2022, for the government to announce it

would allocate \$76 million to strengthen the implementation of Canada's sanctions. It did so through a specialized office within Global Affairs Canada, and by providing additional support to help the RCMP conduct investigations, locate assets and gather evidence.

So, that's what the \$76 million was for, among other things. We don't yet know how those funds were broken down. Maybe Mr. Oliphant can enlighten us.

As for the RCMP's role, you did insist on the one that involves getting results from measures taken by different stakeholders. However, according to the very definition of the RCMP, that's one of its roles.

What are its other roles, since the goal was to help you to conduct investigations, locate assets and gather evidence?

Other than receiving information from various stakeholders, what are your other roles?

**Supt Denis Beaudoin:** Global Affairs Canada can now receive information we get from third parties, which wasn't the case before. We send them information about assets frozen in Canada, and Global Affairs Canada decides if measures need to be taken or not. If the department intends to act, it communicates with the RCMP. We help find information on the asset owners, the province in which they're located and other evidence.

It's intelligence work. Results are then sent to Global Affairs Canada, who makes the final decision. That's one of our roles. That's how things work. There's cooperation between organizations, including Global Affairs Canada. If memory serves, we meet once a week to review priorities and gathered intelligence. We also lead criminal investigations, which I mentioned several times.

• (1255)

[*English*]

**The Chair:** Thank you.

We will now go to MP McPherson.

You have two and a half minutes.

**Ms. Heather McPherson:** Thank you, Mr. Chair.

Similar to Mr. Bergeron, I was quite shocked to hear that, as an opposition member, I have the power to determine the amount of money that goes to different allocations. I certainly would like to see more money go to the CBSA so they can do their work, and I certainly would be very interested in reversing our 15% cut for international development. Perhaps we could even invest in pharmaceutical in this country, now that I know that the power is with parliamentarians.

All joking aside, I am going to build on some of the questions that have been asked by Mr. Zuberi and Mr. Bergeron.

Could you please provide in writing to the committee how many shipments from the Uyghur region have been stopped and seized? Perhaps give us some information about how many shipments to Canada have been seized based on sanctions.

**Mr. Fred Gaspar:** I suspect that these are two distinct but somewhat related issues. With regard to the Uyghur region, I suspect the issue relates more to forced labour and, as colleagues will know, the forced labour regime is administered through the customs tariff. To date, we have had no specific seizures of shipments that have been seized due to forced labour.

We have been working with our international partners, including the United States, to be able to identify risks of forced labour shipments in entry. We did have one last summer that was identified and suspected of forced labour, but ultimately the importer was able to provide evidence to suggest that the seizure was not warranted.

We also work closely with Public Safety colleagues and colleagues across government departments towards the implementation of Bill S-211 in order to ensure that we continue to strengthen the forced labour regime and the child labour prohibition. Prison labour as well—

**Ms. Heather McPherson:** Thank you.

I'm sorry to interrupt you, but I have very little time.

Could you provide that in writing? Certainly, I think we can all agree that the United States has been much better at being able to do this work, so it's great that you are working with them.

I'd like to ask the next question of the RCMP. What efforts is the RCMP making to trace and uncover the assets of designated persons? How many people do you have working on this particular effort at the moment?

**Supt Denis Beaudoin:** Any resources attached to work on SE-MA had to be reassigned from other priorities, but as my colleague has explained, it is a priority for us. It really depends on the week, but we have a number of analysts and police officers who, depending on the priorities, are going to be trying to uncover and trace assets. Again, it's twofold. It's to assist GAC and its seizing regime and also on sanction evasion.

What I will add is that these criminal investigations are extremely complex. They're international in nature, and often we are gathering evidence at the mercy of foreign countries that have a history of not collaborating with Canada. On the question of conviction and cases, we have to understand the geopolitical area we're dealing with with these sanctions and sanction evasion.

**Ms. Heather McPherson:** Thank you.

Thank you very much, Mr. Chair.

**The Chair:** We now go to Mr. Chong.

Mr. Chong, you have five minutes.

**Hon. Michael Chong:** Thank you, Mr. Chair.

I'd like to focus again on enforcement, but this time as it relates to real estate. Money laundering is one part of sanctions evasion, which includes money laundering through Canadian real estate. The Cullen commission in British Columbia concluded that billions of dollars are being laundered through British Columbia, much of it through B.C. real estate.

You know, it's a significant asset class. There are just under \$4 trillion in Canadian residential real estate in Canada, and there's

been a lot of appreciation in that real estate in recent years, so it's a big asset class to launder money through. You mentioned in your testimony that you collect information on property related to sanctions, so my first question is this: How do FINTRAC, the RCMP and Public Safety collect information on the beneficial owners of real property in Canada?

• (1300)

**Ms. Annette Ryan:** Perhaps I can start.

In terms of the beneficial ownership of real property, I would point out—

**Hon. Michael Chong:** More specifically, I am asking about real estate.

**Ms. Annette Ryan:** Within real estate, I would point out that, as part of our record-keeping and our reporting requirements for the private sector, there is an onus on regulated entities to determine the beneficial ownership of corporate entities and, essentially, who is transacting with whom. That is an existing provision of our regime that applies to the real estate sector through various dimensions, be it the financial sector or the professionals involved in real estate, and it's supported by work that we do with various provincial regulators.

**Hon. Michael Chong:** Are you satisfied with the information you are being provided on the beneficial ownership of Canadian real estate, or do you think there are gaps in that beneficial ownership structure?

**Ms. Annette Ryan:** I would say that we have worked very closely with British Columbia officials as they have established requirements for beneficial ownership information to be part of their real estate registry. We've similarly worked very closely with ISED colleagues as they have worked to establish—

**Hon. Michael Chong:** What about the province of Ontario, which is, by far and away, the country's largest real estate market? Where are we in collecting the beneficial ownership of Ontario real estate?

**Ms. Annette Ryan:** I would view that as being covered by my previous answer, but I'm happy to expand on—

**Hon. Michael Chong:** To my knowledge, there's no beneficial ownership collection of data in Ontario real estate, for example.

**Ms. Annette Ryan:** I would be of the view that British Columbia—

**Hon. Michael Chong:** No, I'm talking about Ontario.

**Ms. Annette Ryan:** —is further ahead than Ontario in that regard.

**Hon. Michael Chong:** I guess my point is that we have a proposed federal beneficial ownership registry that doesn't cover real estate. In my view, that's a huge gap.

**Ms. Annette Ryan:** If I may, the logic would be that the federal registry would be approached in a way that would describe the beneficial ownership of corporations that in turn—

**Hon. Michael Chong:** Yes. A corporation is incorporated under the Canada Business Corporations Act, which covers only about 430,000 corporate entities in Canada. It's estimated that there are some 4.3 million businesses in Canada, the vast majority of which are incorporated under the 10 provincial statutes.

While some provinces have introduced registries to cover those provincially incorporated entities, and some—as in the case of British Columbia—are moving towards including real estate as well in that, there are huge gaps in the federal system. The federal government could use the criminal head of power, which is accorded in the Constitution, to enforce a national registry that not only would include provincially incorporated entities—closing the gap with provinces, for example, like Alberta—but also would include real estate, through which the Cullen commission has concluded a lot of money is being laundered and, presumably, a lot of sanctions are being evaded.

I'll just put that as a point that I think needs to be considered by the committee.

Thank you, Mr. Chair.

**The Chair:** Thank you, Mr. Chong.

For the final question, we go to Dr. Fry.

Dr. Fry, you have five minutes.

**Hon. Hedy Fry:** Thank you, Mr. Chair.

Never mind the interesting questions to FINTRAC; I just want to go back to Bill C-8. I'm hearing that everyone works well together and that you are all coordinated, yet I hear some people say that they aren't able to do what they want to do and that only GAC can call meetings. What if, for instance, the RCMP finds that it is unable to do its job really well and something urgent has occurred? Can it call a meeting? That's a question I wanted to ask.

Second, and most important, when you're dealing with so many departments coming together to accomplish something, do you have clear objectives? Do you have an evaluation component to ask if you are getting where you want to go, and if you are effective and efficient? How do you evaluate whether you are actually achieving what you want to achieve? I think that is the biggest question when you have many departments working together.

• (1305)

**Supt Denis Beaudoin:** On whether we can call a meeting, the answer is quite simple; it's yes. Madame Langlois was here earlier, and I must have talked to her two or three times just this week. We know who the partners are. We know who the individuals are in the departments dealing with sanctions, and everybody has open communication and can call meetings on any subject as needed.

**Hon. Hedy Fry:** I still haven't received my answer. Do you have clearly defined goals? Are you able to see whether you're efficient and effective? Are you making a difference? I asked the question earlier on, but I didn't have enough time. What have we learned from the Magnitsky sanctions? Have we learned anything? Did we do it right? Did we get the process okay? Did we evaluate our results? What can we do differently?

If we're not learning from what we've done, whether we've made mistakes or not, we're just going to be spinning our wheels.

Can somebody answer that?

**The Chair:** Mr. St Marseille, do you want to add something? It seems as if you have something to say.

**Mr. Richard St Marseille:** Sure. Thank you, Mr. Chair.

With respect to the immigration consequences of sanctions, the objective is clear: it's to prevent inadmissible people from travelling to Canada in the first place, and if they do arrive in Canada, to effect their removal.

We have evidence that the Magnitsky sanctions approach, which is slightly different from what existed for multilateral sanctions prior to the Magnitsky act, has been quite effective. All identified occurrences of sanctioned individuals have been stopped abroad through the refusal of visas. We don't have any recorded incidents of anyone arriving in Canada requiring removal, which was the objective of the Magnitsky approach. That's why, in Bill S-8, the government is proposing to align the remaining sanctions provisions with how they're handled in the Magnitsky act.

**Hon. Hedy Fry:** You're saying that you have learned lessons and that you're applying them in Bill C-8. Is that what you're saying?

**Mr. Richard St Marseille:** For immigration, it's Bill S-8, but yes.

**Hon. Hedy Fry:** It's Bill S-8. I'm sorry about that.

I think that's it, Mr. Chair. I don't have any other questions.

Thank you.

**The Chair:** Thank you very much, Dr. Fry.

At this point, I will thank all of our many witnesses who have appeared before us today. I'm very grateful for your time and your expertise.

Just to remind everyone, the next meeting, again, will be on the sanctions regime. Please remember to send in your proposed witness names for the Wagner Group study by end of day next Tuesday.

**Hon. Robert Oliphant:** Just before you hit the gavel, could we, at the next meeting, talk about our work plan for this committee? I think we have work that we're going to have to do. I just want to put on notice that we have at least five or 10 minutes to talk about how we, maybe, need more than three meetings.

**The Chair:** Sure.

Mr. Bergeron, go ahead.

[*Translation*]

**Mr. Stéphane Bergeron:** Mr. Chair, if we were to delay the start of the study on the Wagner group's impact, could we push back the deadline for submitting witness lists for it?

[*English*]

**The Chair:** I think that's something he's suggesting that we might want to consider. Obviously, it is up to the members to decide.

Should we set aside 10 minutes in the next meeting to discuss it, just so everyone is satisfied?

**Hon. Hedy Fry:** Yes.

**Ms. Heather McPherson:** Mr. Chair, could I interject?

[*Translation*]

**Mr. Stéphane Bergeron:** I'm just asking for unanimous consent to push back the deadline for submitting the lists.

[*English*]

**The Chair:** Everyone agreed to the date of next Tuesday.

What's wrong, Mr. Bergeron? This is what everyone agreed to at our last meeting.

**Mr. Stéphane Bergeron:** Yes. I'm asking if there is a willingness to open the question.

• (1310)

**The Chair:** We discussed it at length in the last session, Mr. Bergeron. We discussed it that very same day, in the last session.

**Mr. Stéphane Bergeron:** Yes, but we're proposing to extend our study on that.

**The Chair:** No, we don't know. He's just saying that maybe we should discuss the possibility.

**Mr. Stéphane Bergeron:** That's okay.

**The Chair:** Thank you.

I'm sorry, Ms. McPherson. My apologies. Go ahead.

**Ms. Heather McPherson:** I'm sorry, but it's difficult sometimes to get attention when you're on Zoom. I will be in the room next week.

I'm asking if it would be possible for the analysts to provide us with some recommendations with regard to witnesses for the Wagner study. It is a broad study. I also, along with Mr. Bergeron, would be open to postponing the beginning of that study. I think it became clear today that the sanctions study will require more than the three meetings we've identified.

I would like some support from the analysts on witnesses for the Wagner study, please.

**The Chair:** Is that possible? We need it by next Monday. Can we get it by Monday?

**Ms. Allison Goody (Committee Researcher):** Yes.

**The Chair:** Thank you.

The meeting is adjourned.

---









Published under the authority of the Speaker of  
the House of Commons

---

### SPEAKER'S PERMISSION

---

The proceedings of the House of Commons and its committees are hereby made available to provide greater public access. The parliamentary privilege of the House of Commons to control the publication and broadcast of the proceedings of the House of Commons and its committees is nonetheless reserved. All copyrights therein are also reserved.

Reproduction of the proceedings of the House of Commons and its committees, in whole or in part and in any medium, is hereby permitted provided that the reproduction is accurate and is not presented as official. This permission does not extend to reproduction, distribution or use for commercial purpose of financial gain. Reproduction or use outside this permission or without authorization may be treated as copyright infringement in accordance with the Copyright Act. Authorization may be obtained on written application to the Office of the Speaker of the House of Commons.

Reproduction in accordance with this permission does not constitute publication under the authority of the House of Commons. The absolute privilege that applies to the proceedings of the House of Commons does not extend to these permitted reproductions. Where a reproduction includes briefs to a committee of the House of Commons, authorization for reproduction may be required from the authors in accordance with the Copyright Act.

Nothing in this permission abrogates or derogates from the privileges, powers, immunities and rights of the House of Commons and its committees. For greater certainty, this permission does not affect the prohibition against impeaching or questioning the proceedings of the House of Commons in courts or otherwise. The House of Commons retains the right and privilege to find users in contempt of Parliament if a reproduction or use is not in accordance with this permission.

---

Also available on the House of Commons website at the following address: <https://www.ourcommons.ca>

Publié en conformité de l'autorité  
du Président de la Chambre des communes

---

### PERMISSION DU PRÉSIDENT

---

Les délibérations de la Chambre des communes et de ses comités sont mises à la disposition du public pour mieux le renseigner. La Chambre conserve néanmoins son privilège parlementaire de contrôler la publication et la diffusion des délibérations et elle possède tous les droits d'auteur sur celles-ci.

Il est permis de reproduire les délibérations de la Chambre et de ses comités, en tout ou en partie, sur n'importe quel support, pourvu que la reproduction soit exacte et qu'elle ne soit pas présentée comme version officielle. Il n'est toutefois pas permis de reproduire, de distribuer ou d'utiliser les délibérations à des fins commerciales visant la réalisation d'un profit financier. Toute reproduction ou utilisation non permise ou non formellement autorisée peut être considérée comme une violation du droit d'auteur aux termes de la Loi sur le droit d'auteur. Une autorisation formelle peut être obtenue sur présentation d'une demande écrite au Bureau du Président de la Chambre des communes.

La reproduction conforme à la présente permission ne constitue pas une publication sous l'autorité de la Chambre. Le privilège absolu qui s'applique aux délibérations de la Chambre ne s'étend pas aux reproductions permises. Lorsqu'une reproduction comprend des mémoires présentés à un comité de la Chambre, il peut être nécessaire d'obtenir de leurs auteurs l'autorisation de les reproduire, conformément à la Loi sur le droit d'auteur.

La présente permission ne porte pas atteinte aux privilèges, pouvoirs, immunités et droits de la Chambre et de ses comités. Il est entendu que cette permission ne touche pas l'interdiction de contester ou de mettre en cause les délibérations de la Chambre devant les tribunaux ou autrement. La Chambre conserve le droit et le privilège de déclarer l'utilisateur coupable d'outrage au Parlement lorsque la reproduction ou l'utilisation n'est pas conforme à la présente permission.

---

Aussi disponible sur le site Web de la Chambre des communes à l'adresse suivante :  
<https://www.noscommunes.ca>