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**House Standing Committee on Finance  
Bill C-8 An Act to implement certain provisions of the economic and fiscal update tabled in Parliament  
on December 14, 2021 and other measures**

**February 17, 2022**

**Transparency International Canada**

**Opening Statement**

Mister Chairman and members of the committee, thank you for inviting me back to speak to you today.

My name is James Cohen and I am the Executive Director of Transparency International Canada. TI Canada is a registered charity and is the Canadian chapter of Transparency International, the world's leading anti-corruption movement.

Concerning Bill C-8, I would like to focus my remarks on Part 2, Underused Housing Tax Act.

Here, I would draw the Committee's attention on the difficulty that the government will face identifying what is outlined under *Interpretation and General Rules of Application* as "specified Canadian corporation".

Canada has had weak beneficial ownership laws that have allowed individuals to hide their identity behind anonymous corporations, trusts, and nominees. A foreign buyer of Canadian property could funnel their funds, whether licit or illicit through various jurisdictions, ultimately landing in an anonymous Canadian incorporated company with nominee directors signing for it.

In 2016, TI Canada's report, *No Reason to Hide*, found that out of the 100 most valuable properties in Vancouver, no one truly knows who owned 46% of them. In a 2019 report, *OPACTIY: Why criminals love Canadian real estate (and what to do about it)*, TI Canada and our partners conducted a risk assessment of money laundering vulnerabilities in Greater Toronto Area real estate. Between 2008 and 2018, we found that companies owned 37% of homes valued at more than \$5 million, and more than half of homes over \$7 million.



I would like to stress that there is nothing inherently illegal about establishing a numbered company, or purchasing a property through one. However, I flag these numbers to the Committee as a warning on a critical hurdle that will face the Underused Housing Tax Act.

Thankfully there is progress being made on beneficial ownership transparency in Canada. TI Canada applauded the government for proposing a publicly accessible corporate beneficial ownership registry in the 2021 budget. The government recommitted this proposal on the world stage at the US hosted Summit for Democracies in December last year.

Canada still has to wait some time however, for the registry as it has been pledged for 2025. Until it is up and running, and developed to a high standard to verify data, there is still a problem of anonymous corporations being used to purchase property.

As well, the provinces and territories need to help this effort by also legislating beneficial ownership transparency. British Columbia has the Land Ownership Transparency Registry, although it has flaws. Quebec passed Bill-78 that will make beneficial ownership information publicly available on their corporate registry.

Going forward, I would encourage all federal parties to converge on agreement about the need for the publicly accessible beneficial ownership registry, and speak with provincial and territorial counterparts to bring them on board. In the context of housing it will help add supply without even hammering a nail.

Thank you. I am happy to take any questions from the Committee.