

Anti-Corruption Summit - London 2016

Canada Country Statement

Expose corruption

Canada has conducted a comprehensive national inherent risk assessment and continues to monitor financial crimes related risks associated with corporations and other legal persons and entities. We have strengthened customer due diligence measures in relation to the identification and verification of the beneficial owners of corporations and other types of legal persons. We commit to continue to ensure effective compliance with these measures.

We commit to exploring additional measures to improve our ability to collect timely and accurate beneficial ownership information.

We commit to implement the Common Reporting Standard for the automatic exchange of financial account information for tax purposes, and have released legislative proposals to do so starting on July 1, 2017.

We have signed the Addis Tax Initiative to assist developing countries to strengthen their tax systems and support domestic resource mobilisation.

We are developing a global Knowledge Sharing Platform to help build capacity in tax administrations.

Together with China, and through the OECD Forum on Tax Administration, we are leading work to further strengthen donor tax administrations' capacity to support capacity building efforts.

We commit to reviewing penalties and other actions against professional enablers of tax evasion, including for corporations that fail to prevent their employees from facilitating tax evasion.

We have announced plans to implement a number of tax recommendations arising from the G20/OECD project on Base Erosion and Profit Shifting (BEPS), including plans to introduce legislation to require country-by-country reporting for large multinational enterprises and to undertake the spontaneous exchange of certain tax rulings.

We have allocated an additional \$444 million over five years in our 2016 budget to enable the Canada Revenue Agency to better tackle tax evasion and aggressive tax avoidance by hiring additional auditors, developing robust business intelligence infrastructure, increasing verification activities, and improving the quality of its investigative work.

We are collaborating with other countries' tax administrations in the fight against international tax avoidance and offshore tax evasion by undertaking cross-border compliance and enforcement activities.

Punish the corrupt and support those who have suffered from corruption

Canada will work with others to establish an **International Anti-Corruption Coordination Centre**.

Drive out the culture of corruption, wherever it exists

Canada is committed to addressing corruption through its international development assistance and sees important linkages among anti-corruption, governance, and sustainable development. Canada works with its developing country partners to foster greater public sector accountability and transparency through a range of projects across priority sectors that support oversight and audit institutions; financial and economic management; public sector reform; and, key democratic institutions.

Canada works with domestic sport organizations to strengthen their governance by ensuring that a suite of governance measures and principles are in place, and by liaising with international organizations in order to share best practices and training opportunities.

In the extractive sector, Canada plays an important leadership role globally in promoting strong governance and responsible company performance, including increasing the transparency of payments and revenue streams. Canada supports a multitude of projects in Africa, Asia, and Latin America through Global Affairs Canada (GAC) to improve extractive sector governance, promote inclusive growth, and diversify economic opportunities, amongst other things.

Canada has been a strong and longstanding supporter of the Extractives Industries Transparency Initiative (EITI), including as a Board Member and Committee Chair. Canada is also a major donor, engaging bilaterally in many developing countries, as well as having supported the World Bank's programming efforts to build in-country capacity to implement EITI and strengthen the overall transparency and responsible management of the extractive sector. We welcome the new 2016 EITI Standard, in particular the requirements on beneficial ownership, aimed at ensuring that countries can maximize revenues by ensuring greater transparency about company ownership.

Within this work, there are a number of projects that feature examples of institutional twinning that support public integrity.

Expert Deployment for Governance and Economic Growth, implemented by Agriteam Canada in Ukraine, \$19M, from 2014 to 2019

This project assists Ukraine's national and sub-national governments to develop and implement transitional and long-term governance and economic reforms in a more inclusive and transparent way, meeting the needs of Ukrainian citizens. It shares Canadian and international expertise in these areas with Ukrainian officials and citizens through a permanent team of advisors as well as the mobilization of other experts as needed.

Activities include: (1) assisting Ukrainian officials and stakeholders to develop and implement transparency and anti-corruption policies and programming; (2) coaching officials

at the national and sub-national level to plan, coordinate and implement reform plans in priority sectors; (3) training officials to create and manage tools and processes to sustain change management; and (4) coaching representatives from governments and civil society organizations to promote citizens' participation in public decision making to ensure transparent public services delivery.

Strengthening Audit Capacity and Fighting Corruption, implemented by the INTOSAI Development Initiative in Africa, Asia, Americas, and Europe - \$8M from 2015 to 2020

The purpose of this initiative is to enhance sustainable economic prosperity for the poor in developing countries by improving enabling factors that drive sustainable economic growth. This project increases the ability of country partners to attract and host foreign investment, and provide a base for domestic business growth. It lowers environmental and political risk, capitalizes on emerging opportunities, and promotes the equitable sharing of the public benefits of this investment and growth. The project will achieve this by strengthening the capacity of national supreme audit institutions in developing countries to improve governance systems.

Activities include: (1) working with developing country supreme audit institutions to prevent and detect fraud and corruption through a combination of training and support in carrying out audits; (2) delivering certification programs in order to bring supreme audit institutions in line with international audit standards; and, (3) building the capacity of supreme audit institutions to work cooperatively with societal actors that can persuade governments to implement audit recommendations (such as parliaments, civil society organizations, and the media).

International Legislative Oversight Program, implemented by the Canadian Comprehensive Auditing Foundation (CCAF) in Cameroon, Ghana, Tanzania, and Vietnam - \$8.8M from 2012 to 2017

This project aims to improve value for money in public expenditures in Cameroon, Ghana, Tanzania, and Vietnam. This is achieved by building sustainable audit and legislative oversight capacity within the supreme audit institutions and oversight committees of the four countries, in order to fight corruption, improve governance and accountability, and focus resources on achieving results. The project facilitates the creation of networks and partnerships between Canadian and developing country audit offices and their representative institutions, including Public Accounts Committees in Canada and abroad, and donors and regional associations of INTOSAI. Project activities focus primarily on strengthening performance audit capacity, with support also provided for forensic and environmental audits. Another key project activity focuses on strengthening the role of Public Accounts Committees and other oversight committees in reviewing and following up on audit report recommendations. The project provides nine month internships for auditors from Cameroon, Ghana, Tanzania, and Vietnam within Canadian audit offices at the federal and provincial levels, complemented by in-country and regional training.

Canada also has Extractive Industry Transparency Initiative (EITI) partnerships with Peru and Tanzania.

Peru (Canada): EITI Compliant Country since February 2012

A Peru-Canada G7 Partnership Action Plan was developed in coordination with key stakeholders from the private sector, civil society, Peruvian government and international

donors. The Partnership allowed donors to leverage their contribution to transparency in the extractive sector by joining forces while aligning with Peru's priorities. Under Canada's leadership, the partnership supported Peru's effort to decentralize EITI in two regions, becoming the first country in the world to implement EITI at the subnational level. Canada created an important platform, while Peru recognized its added value and created a ministerial resolution to sustain the work of the Partnership after its end.

Tanzania (Canada): EITI Compliant Country since December 2012

The implementation of the Tanzania-Canada Partnership Action Plan is progressing beyond the EITI. Key highlights include the adoption of the Tanzania Extractive Industries (Transparency and Accountability) Act (TEITA) and the Oil and Gas Revenue Management Act, 2015; the formation of a Multi-Disciplinary Contract Negotiating Team under the Prime Minister's Office; and the development of Portal for Online Application of Mineral Rights under the Ministry of Energy and Minerals. Following a short-lived suspension in 2015 related to the late submission of a report, Tanzania is now back on track as the reports for 2012-2013 and 2013-2014 were published in December 2015. Looking forward, Tanzania is developing a roadmap on beneficial ownership disclosure and the regulations needed to operationalize the TEITA Act. Canada has played a leadership role by convening development partners and other stakeholders around shared objectives, and has contributed substantial funding towards initiatives that directly contributed to the achievements of the Partnership in Tanzania.