

# Financial Transactions and Reports Analysis Centre of Canada

2020–21

## **Departmental Plan**

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The Honourable William Francis Morneau, P.C., M.P.  
Minister of Finance

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## Table of contents

|   |    |
|---|----|
| Message from the Director and Chief Executive Officer .....   | 1  |
| Plans at a glance and operating context .....   | 3  |
| Core responsibilities: planned results and resources .....  | 7  |
| Compliance with Anti-Money Laundering and Anti-Terrorism Financing<br>Legislation and Regulations ..... | 7  |
| Production and Dissemination of Financial Intelligence .....  | 12 |
| Internal Services: planned results .....  | 16 |
| Spending and human resources.....   | 19 |
| Planned spending .....  | 19 |
| Actual Spending (2017–18 and 2018–19).....  | 19 |
| Forecast Spending (2019–20) .....   | 21 |
| Planned Spending (2020–21 to 2022–23).....  | 21 |
| Planned human resources.....  | 24 |
| Estimates by vote.....  | 25 |
| Condensed future-oriented statement of operations.....  | 25 |
| Corporate information .....   | 27 |
| Organizational profile.....   | 27 |
| Raison d'être, mandate and role: who we are and what we do .....  | 27 |
| Reporting framework .....   | 27 |
| Supporting information on the program inventory .....   | 29 |
| Supplementary information tables .....  | 29 |
| Federal tax expenditures .....  | 29 |
| Organizational contact information .....  | 29 |
| Appendix: definitions .....   | 31 |
| Endnotes .....  | 35 |

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## Message from the Director and Chief Executive Officer

As we mark our 20th anniversary, I am proud to share the Departmental Plan for the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) which sets out our priorities for the upcoming fiscal year.

FINTRAC is Canada's financial intelligence unit and Anti-Money Laundering and Anti-Terrorist Financing (AML/ATF) regulator. We are at the heart of Canada's multi-agency AML/ATF Regime and play an essential role in combatting money laundering, terrorism financing and threats to the security of Canada.

The strategies and activities articulated in this Departmental Plan comprise the next steps in realizing our vision – **Safe Canadians, Secure Economy:** contributing to the safety of Canadians and the security of the economy as a trusted leader in the global fight against money laundering and terrorist activity financing.

These are challenging times, as we strive to stay ahead of criminals and hostile actors who aim to exploit our financial system to launder their proceeds from large-scale fraud, trafficking and corruption. At the same time, both FINTRAC and Canada's broader AML/ATF Regime must address the continual pressures of global technological change which affect our society generally and the financial sector specifically. To deliver our intended results, we will harness digital renewal to enhance our capabilities. We will collaborate with our many stakeholders — regulatory partners, thousands of Canadian businesses, Canada's police, law enforcement and national security agencies and our international allies — to share information and best practices.

In the coming year, we will build upon the excellent coordination we have witnessed between FINTRAC, police and businesses in our public-private partnerships by enhancing lawful information sharing to better detect, prevent and disrupt criminal activity with an emphasis on gaining a greater understanding on when and how the underground banking and formal banking system may intersect. These efforts will be modeled after our successful partnerships to combat human trafficking in the sex trade, mass-marketing fraud and the production and distribution of fentanyl, as well as the laundering of criminal proceeds stemming from illicit activities.

The results we achieve for Canadians are not possible without the significant involvement of businesses across the country. In the year ahead, FINTRAC will work closely to identify and address vulnerabilities across the financial system by sharing knowledge, raising awareness of criminal methodologies and influencing compliance behaviours. We will seek to inspire a collective response to these threats by leveraging opportunities to innovate in detecting vulnerabilities of emerging technologies, products and services, and by educating stakeholders



about potential money laundering and terrorism financing risks to the economy and national security.

In fulfilling our core financial intelligence and compliance mandates, FINTRAC is committed to safeguarding personal information entrusted to the Centre, recognizing how important this is in maintaining Canadians' confidence in FINTRAC and in Canada's broader AML/ATF Regime.

As we celebrate our 20<sup>th</sup> year, I am excited to continue to work with FINTRAC's stakeholders and to lead the Centre and its highly skilled and dedicated workforce in helping to protect the safety, security and prosperity of Canadians as we build on our achievements, keep pace with emerging trends and construct enduring foundations for our future.

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Nada Semaan  
Director and Chief Executive Officer

## Plans at a glance and operating context

The global nature of the banking system and transnational nature of money flows make money laundering and terrorism financing increasingly vast and complex. The interconnectedness of communications, technologies and financial payment systems provide immediate accessibility across the world by removing physical barriers.

Sophisticated and dynamic criminal groups relentlessly develop new ways to exploit the vulnerabilities of financial systems to launder the proceeds of crime. Similarly, extremist and terrorist organizations seek out opportunities to secure financing to fund their activities and operations.

As business and consumers embrace new and evolving technologies, Canada's financial sector is becoming increasingly agile with: the introduction of non-traditional banking models (such as virtual currency); the entry into the financial system of technology companies; and the endless possibilities being driven by financial technology (FinTech) and regulatory technology (RegTech) as examples. Some of these changes are incremental in nature, but many are revolutionary, providing a significant challenge to regulators in understanding new financial products and combatting criminal exploitation. Importantly, new and emerging businesses may not understand their money laundering and terrorist financing risks or have in place appropriate programs or resources to protect their businesses from these criminal threats.

Within this operating context, FINTRAC has established its vision and strategic priorities, built on a foundation of three pillars that, together, bring to life the vision of Safe Canadians, Secure Economy: Contributing to the safety of Canadians and the security of the economy, as a trusted leader in the global fight against money laundering and terrorist activity financing.

Within the overarching pillars of 1) Promote a culture of accountability; 2) Prepare FINTRAC for the future; and 3) Collaborate to strengthen results, FINTRAC's Strategic Plan articulates six priorities that are summarized below, along with some of the key strategic actions that will enable the Centre to realize its vision.

**Pillar 1: Promote a culture of accountability**

FINTRAC's objective is to have a resilient, agile workforce accountable for achieving the Centre's priorities within a culture that values diversity, collaboration, civility and ethical behavior.

| <b>FINTRAC Priorities</b>                           | <b>Strategic Actions</b>  |
|---|---|
| Maximize the potential of our people                | <ul style="list-style-type: none"><li>• Encourage a respectful, inclusive and performance-driven culture that is based on trust and promotes accountability, civility and ethical behavior.</li><li>• Maintain a high level of employee engagement that supports a culture of excellence.</li><li>• Attract, recruit, retain, and manage our talent effectively and strategically to ensure that our people have the technical and behavioral competencies, agility and mindset to position the Centre and its people for success in the constantly evolving landscape.</li></ul> |
| Ensure transparency through results and performance | <ul style="list-style-type: none"><li>• Strengthen our performance measurement framework and regularly report on results.</li><li>• Proactively engage with, and support various government oversight bodies.</li><li>• Enhance internal communications and encourage information sharing.</li></ul>  |



## Pillar 2: Prepare FINTRAC for the future

FINTRAC’s objective is to maintain a work environment that supports innovation and provides the support and tools, especially information and data, to deepen the Centre’s analysis and approaches.

| FINTRAC Priorities                         | Strategic Actions  |
|--|--|
| Modernize the workplace                    | <ul style="list-style-type: none"> <li>• Implement a strategic, enterprise approach to managing FINTRAC’s infrastructure, applications, and data.</li> <li>• Implement tools and processes that will effectively enable collaboration, mobility and information sharing.</li> <li>• Leverage our information technology and systems to enhance outcomes.</li> </ul>  |
| Explore and implement innovative solutions | <ul style="list-style-type: none"> <li>• Implement a FINTRAC-wide approach for innovation, which includes policy, technology, and processes.</li> <li>• Strive for continuous growth and excellence by implementing a FINTRAC-wide approach to learning and training that supports all areas of organizational learning including corporate training, leadership development, executive training and functional business line training.</li> <li>• Embrace multiple perspectives and promote internal collaboration to leverage the Centre’s knowledge and expertise to identify future trends and address possible challenges. This will be assured by leveraging the new “Digital Innovation Committee” governance body.</li> <li>• Investigate and promote opportunities for private sector engagement and partnerships.</li> </ul> |

**Pillar 3: Collaborate to strengthen results**

FINTRAC’s objective is to leverage the knowledge and expertise of our domestic and international partners to influence change in the way we detect and deter money laundering and terrorist activity financing.

| <b>FINTRAC Priorities</b>  | <b>Strategic Actions</b>   |
|--|--|
| Cultivate strategic relationships with key external stakeholders | <ul style="list-style-type: none"><li>• Regularly identify, review, and prioritize FINTRAC’s relationship with key business and international stakeholders to ensure their alignment with the Centre’s compliance, intelligence, and corporate priorities, in line with FINTRAC’s requirement to be independent and operate at arm’s length.</li><li>• Play a leadership role in international fora to support the government’s broader international efforts to combat money laundering and terrorist activity financing.</li><li>• Work with external stakeholders to discover new ways of doing business.</li><li>• Enhance transparency and demonstrate progress with our external stakeholders.</li></ul> |
| Strengthen cross-government cooperation                          | <ul style="list-style-type: none"><li>• Proactively work with other Canadian government departments / agencies to enhance FINTRAC’s contribution to government policy making and decision making on matters related to money laundering and terrorist activity financing.</li><li>• Work with central agencies in creating more efficient and effective interactions.</li></ul>  |

As a small agency, FINTRAC embraces the concept of ‘experimentation’ through its continued commitment to innovate and evolve its operational programs and internal services activities. In 2020–21, FINTRAC is committed to exploring new collaborations and work arrangements within Canada’s Anti-Money Laundering and Anti-Terrorist Financing (AML/ATF) Regime and through public and private partnerships with its major reporting entities in the continuing fight against money laundering and terrorist activity financing.

For more information on FINTRAC’s plans, priorities and planned results, see the “Core responsibilities: planned results and resources” section of this report.

## Core responsibilities: planned results and resources

### Compliance with Anti-Money Laundering and Anti-Terrorism Financing Legislation and Regulations

#### **Description**

The Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) is responsible for ensuring compliance with Part 1 and Part 1.1 of the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (PCMLTFA) and its associated Regulations. This legal framework establishes obligations for reporting entities to develop a compliance regime in order to identify clients, monitor business relationships, keep records and report certain types of financial transactions. FINTRAC undertakes enabling and enforcement actions to ensure that the reporting entities operating within Canada's financial system fulfill their PCMLTFA obligations. These obligations provide important measures for countering patterns and behaviours observed in criminals and terrorists in order to deter them from operating within the legitimate channels of Canada's economy. FINTRAC also maintains a registry of money services businesses in Canada.

#### **Planning highlights**

FINTRAC's compliance program is based on three complementary pillars: assistance, assessment and enforcement. Collectively, they form a comprehensive, risk-based approach aimed at influencing compliance behaviour whereby parties subject to the PCMLTFA fulfill their responsibilities. Central to this are a host of activities aimed at ensuring that reporting entities meet expectations, given the critical importance of businesses submitting high quality and timely reports. Reporting deficiencies are proactively identified and addressed. Maintaining an effective compliance regime requires the right suite of policies, procedures, systems and training mechanisms to be in place, together with a capacity to evolve within a complex and dynamic operating environment.

FINTRAC's approach to compliance is rooted in its fundamental commitment to privacy protection which permeates all activities. Transparency is also important and FINTRAC will continue to advance its pioneering transparency initiative which includes the publication of the Compliance Framework, the FINTRAC Assessment Manual, the revised Administrative Monetary Penalties (AMP) policy, and the enhanced Voluntary Self-declaration on Non-compliance policy. This increased transparency enables reporting entities to be better informed which in turn facilitates their fulfilling their obligations which are so critical to FINTRAC's financial intelligence mandate. As a result of this approach, FINTRAC received an award of Excellence in Regulatory Openness and Transparency on November 27, 2019 from the Community of Federal Regulators.

In 2020–21, FINTRAC will actively and holistically pursue the modernization of its compliance program to further enhance its effectiveness in this challenging, ever-changing setting. Focused initiatives will be undertaken to strengthen existing building blocks which support the deterrence of money laundering and terrorism financing in Canada. The implementation of new regulations to support recent legislative change — adding focus to dimensions such as virtual currencies, customer identification, beneficial ownership and foreign money services businesses — reinforces the need to take stock of how best to move forward in consultation with a broad range of national and international stakeholders. The following activities will be undertaken:

- The overall legislative and policy framework must serve Canada’s interests while staying attuned to international expectations. A major priority in the near term will be the implementation of new regulations arising from recent legislative change which effectively updated and broadened the parameters of FINTRAC’s compliance mandate, including new requirements for reporting on virtual currency transactions and extending registration obligations to foreign money services businesses and businesses dealing in virtual currencies. This activity will entail substantial national consultations with stakeholders and a rigorous implementation phase including capacity building in emerging functional areas such as virtual currencies. The expected outcome is an enhanced AML/ATF Regime.
- In an environment where protection of privacy is of paramount importance, ongoing collaboration with Canada’s multi-agency AML/ATF Regime partners is required to identify and address deficiencies, gaps and vulnerabilities. The aim is to dynamically optimize the alignment of information provided by reporting entities with the evolving nature of money laundering and terrorist financing. New regulations, along with enforcement strategies and increased outreach activities in the real estate and casinos with a focus on British Columbia, and to new and existing groups is being undertaken to improve alignment.
- Following the outcome of the joint assessments to conduct compliance examinations of Federally Regulated Financial Institutions (FRFI) with the Office of the Superintendent of Financial Institutions (OSFI), both agencies mutually decided to implement a new supervisions framework for FRFIs. FINTRAC enters into its second and final transition year towards a more streamlined process for supervision of FRFIs. FINTRAC will continue to develop business processes and build capacity as it assumes responsibility for all PCMLTFA related activities in relation to these entities including conducting independent assessments, follow-ups and relationship management activities.
- FINTRAC is actively participating in the Commission of Inquiry into Money Laundering in British Columbia (“Cullen Commission”) to add value to its information collection and to leverage lessons learned as applicable.

- Management of the recently revised program of AMPs will continue as a means to encourage reporting entities to address deficiencies that hinder their compliance with PCMLTFA requirements, including to address issues related to quality and timeliness of their reporting, so that it may best support FINTRAC’s ability to carry out its mandate.
- Provision of ongoing guidance and support — including a range of engagement activities such as conferences, working groups, training sessions, policy interpretations, communiqués and Memoranda of Understanding with governance bodies — to enable reporting entities to fulfill their respective responsibilities. As well, outreach initiatives will be undertaken to establish relationships with new partners such as in the real estate sector.

## Planned results for Compliance with Anti-Money Laundering and Anti-Terrorism Financing Legislation and Regulations

| Departmental result   | Departmental result indicator  | Target | Date to achieve target | 2016–17 actual result | 2017–18 actual result | 2018–19 actual result  |
|---|--|--------|------------------------|-----------------------|-----------------------|--|
| Reporting entities are compliant with Anti-Money Laundering and Anti-Terrorist Financing obligations and requirements | Percentage of assessed reporting entities not requiring enforcement action <sup>1</sup>                                | 90%    | March 31, 2021         | Not available         | Not available         | Not available  |
|   | Percentage of financial transaction reports submitted to FINTRAC that meet validation rules as an indicator of quality | 90%    | March 31, 2021         | Not available         | Not available         | 91.7%<br>Percentage of Financial Transaction Reports submitted to FINTRAC that meet quality requirements |

Note: The indicators shown in the above table on Planned Results are new for 2020–21. Prior year data is provided when available.

Financial, human resources and performance information for FINTRAC's program inventory is available in the [GC InfoBase](#).<sup>i</sup>

## Planned budgetary financial resources for Compliance with Anti-Money Laundering and Anti-Terrorism Financing Legislation and Regulations

| 2020–21 budgetary spending (as indicated in Main Estimates) | 2020–21 planned spending | 2021–22 planned spending | 2022–23 planned spending |
|---|--------------------------|--------------------------|--------------------------|
| 21,452,641  | 23,621,954               | 21,058,172               | 20,039,781               |

Financial, human resources and performance information for FINTRAC's program inventory is available in the [GC InfoBase](#).<sup>ii</sup>

<sup>1</sup> Enforcement actions include an enforcement meeting, an administrative monetary penalty, or a public disclosure of non-compliance.

Planned human resources for Compliance with Anti-Money Laundering and Anti-Terrorism Financing Legislation and Regulations

| 2020–21<br>planned full-time equivalents | 2021–22<br>planned full-time equivalents | 2022–23<br>planned full-time equivalents |
|--|--|--|
| 128                                      | 127                                      | 127                                      |

Financial, human resources and performance information for FINTRAC's program inventory is available in the [GC InfoBase](#).<sup>iii</sup>

## Production and Dissemination of Financial Intelligence

### Description

The Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) is mandated by the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (PCMLTFA) to produce actionable financial intelligence, including disclosures that assist Canada's police, law enforcement, national security and other partner agencies in combatting money laundering, terrorism financing and threats to the security of Canada, while protecting the personal information entrusted to FINTRAC. FINTRAC also produces strategic financial intelligence for federal policy and decision-makers, reporting entities across the country, international partners and other stakeholders. FINTRAC's strategic intelligence provides a wide analytic perspective on the nature, scope and threat posed by money laundering and terrorism financing.

### Planning highlights

FINTRAC analyses the information it receives and collects under the PCMLTFA and, where there are reasonable grounds to raise suspicions, provides actionable financial intelligence to support investigations related to money laundering and terrorist activity financing by Canada's police, law enforcement and national security agencies. Financial intelligence enables public safety agencies to refine the scope of their investigations, to shift their sights to different targets and to identify assets for seizure and forfeiture. FINTRAC's financial intelligence is used in a wide variety of criminal investigations related to the funding of terrorist activities and the laundering of proceeds originating from such crimes as drug trafficking, fraud, tax evasion, corruption and human trafficking.

The impacts of these intelligence efforts are substantial — last year alone, over 2200 unique disclosures of actionable financial intelligence were provided to support investigations. And the volume continues to increase — by more than 80% in the past five years.

FINTRAC also produces valuable strategic financial intelligence, providing a broad perspective on the nature, scope and threat posed by money laundering and terrorist activity financing. Produced for government decision-makers, as well as reporting entities across the country, international partners and other stakeholders, the Centre's strategic intelligence is invaluable in strengthening Canada's ability to prevent, detect, and deter the methods and techniques used by criminals to launder money or fund terrorist activities.

In 2020–21, the following activities will be undertaken:

- FINTRAC will continue to generate and issue actionable financial intelligence to Canada's public safety agencies, including new disclosure recipients – Revenue Québec and



Competition Bureau, in the form of financial intelligence disclosures and contributions to project-level investigations at the municipal, provincial and federal levels.

- Priority will be given to building on the successes of Public-Private Partnerships (PPPs). Encouraging results from recent experiences (Project Guardian (Fentanyl) and Project Chameleon (Romance Fraud)) have set the stage for additional collaborative undertakings. An earlier PPP project – Project Protect (Combating Human Trafficking in the Sex Trade) was the first of its kind in the world and its success in helping to protect some of Canada’s most vulnerable citizens and to make the fight against human trafficking in the sex trade a collective priority, has seen it enhanced and funded as a leading example of how working with the private sector can achieve enhanced results. FINTRAC will continue to focus on a new PPP — Project Athena — that began as a Combined Forces Special Enforcement Unit (B.C.) probe into the use of bank drafts at casinos in British Columbia. A recent release of an Operational Alert from FINTRAC provides money laundering indicators that were observed in FINTRAC disclosures sent to law enforcement in relation to the initial focus of Project Athena: suspicious casino-related transactions, particularly those involving bank drafts that are suspected to have roots in underground banking.
- Partnerships will be nurtured with reporting entities, regulators, stakeholders, disclosure recipients and policy makers to support investigations in priority areas and the sharing of intelligence. FINTRAC will participate actively in the newly-created Anti-Money Laundering Action, Coordination and Enforcement Team (“the ACE Team”) to strengthen coordination in identifying and addressing money laundering and financial crime threats. Where appropriate, FINTRAC will support the addition of new disclosure recipients to broaden the financial intelligence universe.
- FINTRAC will continue to enhance disclosure packages and produce strategic intelligence assessment products, including operational briefs and alerts, which provide indicator-based information for reporting entities, disclosure recipients and the general public on specific money laundering and terrorism financing issues, with a focus on methods, threats, and vulnerabilities.
- Efforts will be made to enrich the toolkit available to assist FINTRAC analysts, including the refinement of indicators (for example, by reducing the occurrence of false positive suspicious transaction reports) to enhance the quality of financial intelligence outputs.
- Monitoring of international events related to money laundering and terrorist financing will enable the assessment of implications for Canada and facilitate the cultivation of relationships with international partners in recognition of the leadership role FINTRAC plays

in the domain of financial intelligence that supports investigation and prosecution of relevant offences.

### Planned results for Production and Dissemination of Financial Intelligence

| Departmental result  | Departmental result indicator  | Target | Date to achieve target | 2016–17 actual result  | 2017–18 actual result  | 2018–19 actual result   |
|--|--|--------|------------------------|--|--|---|
| FINTRAC's tactical financial intelligence disclosures inform investigative actions | Percentage of feedback from disclosure recipients that indicates that FINTRAC's financial intelligence disclosure was actionable | 85%    | March 31, 2021         | 93%<br>Percentage of disclosure recipients indicating that information provided was actionable | 92%<br>Percentage of disclosure recipients indicating that information provided was actionable | 90%<br>Percentage of feedback from disclosure recipients that indicates that the FINTRAC financial intelligence disclosure was actionable |
| FINTRAC's strategic financial intelligence informs policy and decision-making      | Percentage of Regime partners using FINTRAC products to inform activities <sup>2</sup>   | TBD    | March 31, 2021         | Not available  | Not available  | Not available   |

Financial, human resources and performance information for FINTRAC's program inventory is available in the [GC InfoBase](#).<sup>iv</sup>

<sup>2</sup> There are 13 Regime Partners including OSFI and RCMP. Examples of products include operational alerts, environmental scans and financial intelligence reports.

## Planned budgetary financial resources for Production and Dissemination of Financial Intelligence

| 2020–21 budgetary spending (as indicated in Main Estimates) | 2020–21 planned spending | 2021–22 planned spending | 2022–23 planned spending |
|---|--------------------------|--------------------------|--------------------------|
| 15,492,634  | 17,618,782               | 16,395,569               | 16,231,163               |

Financial, human resources and performance information for FINTRAC's program inventory is available in the [GC InfoBase](#).<sup>v</sup>

## Planned human resources for Production and Dissemination of Financial Intelligence

| 2020–21 planned full-time equivalents | 2021–22 planned full-time equivalents | 2022–23 planned full-time equivalents |
|---------------------------------------|---------------------------------------|---------------------------------------|
| 108                                   | 110                                   | 110                                   |

Financial, human resources and performance information for FINTRAC's program inventory is available in the [GC InfoBase](#).<sup>vi</sup>

## Internal Services: planned results

### Description

Internal Services are those groups of related activities and resources that the federal government considers to be services in support of Programs and/or required to meet corporate obligations of an organization. Internal Services refers to the activities and resources of the 10 distinct services that support Program delivery in the organization, regardless of the Internal Services delivery model in a department. These services are:

- ▶ Management and Oversight Services
- ▶ Communications Services
- ▶ Legal Services
- ▶ Human Resources Management Services
- ▶ Financial Management Services
- ▶ Information Management Services
- ▶ Information Technology Services
- ▶ Real Property Management Services
- ▶ Materiel Management Services
- ▶ Acquisition Management Services

### Planning highlights

FINTRAC's Internal Services support the Centre's core responsibilities and programs. A key priority is ensuring the protection of personal information entrusted to FINTRAC. All facets of FINTRAC's operations are subject to rigorous security measures that ensure the safeguarding of the Centre's physical premises and IT systems, including the handling, storage and retention of all personal and other sensitive information under its control. Internal Services also support the development and delivery of effective and integrated services, policies, advice and guidance in the fields of finance, human resources, security, communication, procurement, administration, information management, and information technology. The overall objective is to ensure that FINTRAC has the proper capacity and corporate infrastructure to allow its workforce to achieve operational success.

During 2020–21, Internal Services will focus on the following activities:

- The implementation of FINTRAC's People and Culture Strategy 2019–24 will be advanced by:
  - Empowering employees and leaders through proactive and dynamic talent management solutions and enabling enterprise agility through effective change leadership and enduring change resilience.

- Promoting a learning culture to enhance employee and leadership training and development and to modernize human resource policies, processes, systems and human capital analytics.
  - Nurturing a culture of diversity, civility and inclusion through continuous engagement and communications, and enabling collaboration to promote teamwork and excellence.
- An assessment of and response to the recently released 2019 Public Service Employee Survey (PSES) will be undertaken to address areas of concern and opportunities for improvement. With a participation rate of 89.2% (second highest in the public service), a thorough and thoughtful assessment of the results is called for.
- Aligning FINTRAC's operational plan and investments with the strategic plan to ensure advancement of its change agenda, will proceed, including: looking at innovative ways to leverage existing and new information technology (IT) to enhance our analytical tools and systems; preparing the Centre for the move of its headquarters; the implementation of new legislation and regulations; the Financial Management Transformation; and in collaboration with SSC, the planning and execution of IT renewal.
- An Enterprise Architecture Roadmap for the implementation and review of project investments will be developed to guide the organization through the business, information/data, applications and infrastructure changes required for the Centre to execute its core responsibilities.
- A full analysis of Centre's business requirements will be undertaken to ensure alignment with the Government of Canada's new Guidelines and Policy on Service and Digital. With the goal of modernizing processes and systems used to support the business in a digital era, it is important for FINTRAC technology to be agile and to keep pace with emerging trends.
- Collaboration with SSC and other central agencies will continue for the data centre transformation strategy to ensure the ongoing integrity of FINTRAC's IT infrastructure, systems and services.
- Efforts will continue to advance the Centre's strategic policy and planning objectives, and ensure productive and effective relations with federal, provincial, territorial and international governments, as a key contributor to Canada's AML/ATF Regime.
- External communication strategies, including the use of different social media vehicles, will continue in support of engagement with key domestic and international partners to increase awareness, understanding and collaboration.

- The ongoing integrity of our privacy protection and security regime will be assured by evaluating options and implementing appropriate measures to prevent data loss, actively monitoring systems for indications of inappropriate access, use, or disclosure, and attempts to defeat security protocols, and by taking action, as appropriate, in response to a biennial audit of FINTRAC by the Office of the Privacy Commissioner launched in December 2019.

#### Planned budgetary financial resources for Internal Services

| 2020–21 budgetary spending (as indicated in Main Estimates) | 2020–21 planned spending | 2021–22 planned spending | 2022–23 planned spending |
|---|--------------------------|--------------------------|--------------------------|
| 19,864,177  | 20,970,290               | 19,791,730               | 19,805,620               |

#### Planned human resources for Internal Services

| 2020–21 planned full-time equivalents | 2021–22 planned full-time equivalents | 2022–23 planned full-time equivalents |
|---------------------------------------|---------------------------------------|---------------------------------------|
| 136                                   | 136                                   | 135                                   |

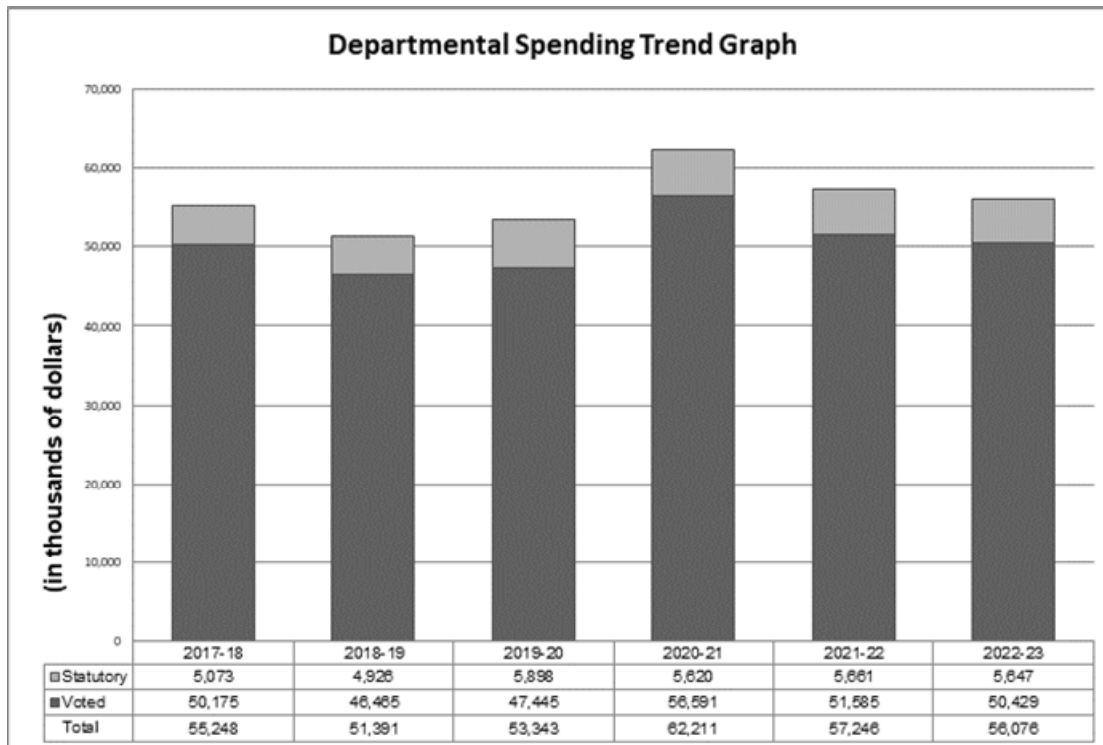
## Spending and human resources

This section provides an overview of the department’s planned spending and human resources for the next three consecutive fiscal years, and compares planned spending for the upcoming year with the current and previous years’ actual spending.

### Planned spending

#### Departmental spending 2017–18 to 2022–23

The following graph presents planned (voted and statutory) spending over time.



### Actual Spending (2017–18 and 2018–19)

The resources available for spending in 2017–18 and 2018–19 were \$56.6M and \$54.6M respectively. Resources available for spending decreased by \$2.0M from 2017–18 to 2018–19 primarily due to:

- a decrease of \$0.8M in funding to modernize the analytical system used to detect money laundering and terrorist financing;
- an increase of \$0.1M in funding to support the implementation of legislative amendments;
- a decrease of \$0.4M following the receipt of compensation allocations in 2017–18; and

- a net decrease of \$0.9M following the receipt of the Operating Budget Carry Forward and other adjustments.

Actual spending decreased by \$3.8M (7.0%) from \$55.2M in 2017–18 to \$51.4M in 2018–19.

The reduction primarily consisted of the following decreases in expenditures:

- A \$2.4M reduction in personnel expenditures following the one time lump-sum salary payments made to employees in 2017–18. Employees received a retroactive annual cost of living increase for the period of 2014 to 2017 in fiscal year 2017–18.
- A \$1.4M reduction in professional and special services expenditures. Professional services were reduced in 2018–19, in line with the funding profile of the analytical system modernization funding. There was also a decrease in legal service fees, training expenditures, and other professional and nonprofessional services rendered.



## Forecast Spending (2019–20)

Total authorities available for use in 2019–20 are anticipated to be \$58.7M. This is an increase of \$4.1M (7.5%) over the \$54.6M in authorities available for use in 2018–19. The increase is primarily due to:

- An increase of \$3.6M for funding received in Budget 2019 to Strengthen Canada’s Anti-Money Laundering and Anti-Terrorist Financing Regime.
- An increase of \$0.1M in funding from Budget 2019 to contribute to the National Strategy to Combat Human Trafficking.
- An increase of \$0.4M as a result of variances in transfers from Other Government Departments and other technical adjustments in voted and statutory authorities.

Forecast spending is anticipated to be \$54.3M in 2019–20, consisting of \$48.4M in voted authorities and \$5.9M in statutory authorities. This is an increase of \$2.9M (5.6%) compared to actual spending of \$51.4M in 2018–19. FINTRAC’s expenditures increased following the receipt of new Budget 2019 funding starting in 2019–20, including funding to Strengthen Canada’s Anti-Money Laundering and Anti-Terrorist Financing Regime, as well as funding to contribute to the National Strategy to Combat Human Trafficking.

## Planned Spending (2020–21 to 2022–23)

Spending is expected to increase by \$7.9M (12.0%) from \$54.3M in 2019–20 to \$62.2M in 2020–21. The estimated increase is as a result of:

- An increase in authorities of \$4.3M based on the anticipated reprofile of funding from 2019–20 to 2020–21.
- An increase in authorities of \$1.3M based on the projected funding profile of Budget 2019 funds to Strengthen Canada’s Anti-Money Laundering and Anti-Terrorist Financing Regime.
- An increase in authorities of \$0.6M based on the funding profile of Budget 2019 funds to contribute to the National Strategy to Combat Human Trafficking.
- An increase in authorities of \$0.2M following a transfer from Shared Services Canada to FINTRAC for database analyst services.
- A decrease in authorities of \$0.4M in statutory authorities due to adjustments to employee benefits program costs.
- Lastly, an increase in personnel spending is anticipated. FINTRAC is actively working to increase capacity by staffing vacant positions across the Center. The implementation of an annual cost of living increase for the period of 2018–21 is also pending. It is expected that salary expenditures will increase as a result in 2020–21. The increase in salary expenditures is anticipated to be funded by a reprofile of surplus salary funds from 2019–20 to 2020–21.

Planned spending decreases by \$5.0M (8.0%) from \$62.2M in 2020–21 to \$57.2M in 2021–22. Following the anticipated reprofile of salary funds from 2019–20 to 2020–21, 2021–22 personnel authorities are reduced in comparison. The reduction in personnel authorities is offset by an increase in the profile of Budget 2019 funds to Strengthen Canada's anti-money laundering and anti-terrorist financing regime and to contribute to the national strategy to combat human trafficking.

Planned spending decreases from \$57.2M in 2021–22 to \$56.1M in 2022–23. The \$1.2M reduction in spending is primarily due to the funding profile of the Budget 2019 initiative to Strengthen Canada's anti-money laundering and anti-terrorist financing regime. The funding profile peaks at \$5.1M in 2021–22 and decreases by \$1.0M to \$4.1M in 2022–23. The remaining decrease is due to the funding profile of the Budget 2019 funds to contribute to the national strategy to combat human trafficking. Associated funding of \$0.7M in 2021–22 decreases by \$0.2M to \$0.5M in 2022–23.

The following table shows actual, forecast and planned spending for each of FINTRAC's core responsibilities and to Internal Services for the years relevant to the current planning year.

Budgetary planning summary for core responsibilities and Internal Services (dollars)

| Core responsibilities and Internal Services  | 2017–18 expenditures | 2018–19 expenditures    | 2019–20 forecast spending | 2020–21 budgetary spending (as indicated in Main Estimates) | 2020–21 planned spending | 2021–22 planned spending | 2022–23 planned spending |
|--|----------------------|-------------------------|---------------------------|---|--------------------------|--------------------------|--------------------------|
| Compliance with Anti-Money Laundering and Anti-Terrorism Financing Legislation and Regulations | 21,475,777           | 17,486,737              | 19,152,772                | 21,452,641  | 23,621,954               | 21,058,172               | 20,039,781               |
| Production and Dissemination of Financial Intelligence   | 25,228,215           | 15,918,187              | 14,977,781                | 15,492,634  | 17,618,782               | 16,395,569               | 16,231,163               |
| <b>Subtotal</b>  | 46,703,992           | 33,404,924              | 34,130,553                | 36,945,275  | 41,240,736               | 37,453,741               | 36,270,944               |
| Internal Services  | 8,543,798            | 17,986,364 <sup>3</sup> | 19,212,583                | 19,864,177  | 20,970,290               | 19,791,730               | 19,805,620               |
| <b>Total</b>   | 55,247,790           | 51,391,288              | 53,343,136                | 56,809,452  | 62,211,026               | 57,245,471               | 56,076,564               |

<sup>3</sup> To comply with TBS' Guideline on the Attribution of Internal Services, the way in which FINTRAC codes its internal service expenditures has changed. This change has resulted in some financial and human resources figures shift from being reported under the programs to being reported under Internal Services. Examples of activities coded under Internal Services of significance for FINTRAC include, representing Canada internationally on anti-money laundering and anti-terrorist financing, the management of a comprehensive privacy protection and security program, and a large IMIT program supporting the Centre's information centric mandate. As a result, Internal Services figures are higher as at the 2018–19 fiscal year.

## Planned human resources

The following table shows actual, forecast and planned full-time equivalents (FTEs) for each core responsibility in FINTRAC's departmental results framework and to Internal Services for the years relevant to the current planning year.

### Human resources planning summary for core responsibilities and Internal Services

| Core responsibilities and Internal Services  | 2017–18 actual full-time equivalents | 2018–19 actual full-time equivalents | 2019–20 forecast full-time equivalents | 2020–21 planned full-time equivalents | 2021–22 planned full-time equivalents | 2022–23 planned full-time equivalents |
|--|--------------------------------------|--------------------------------------|--|---------------------------------------|---------------------------------------|---------------------------------------|
| Compliance with Anti-Money Laundering and Anti-Terrorism Financing Legislation and Regulations | 151                                  | 129                                  | 127                                    | 128                                   | 127                                   | 127                                   |
| Production and Dissemination of Financial Intelligence   | 166                                  | 111                                  | 106                                    | 108                                   | 110                                   | 110                                   |
| <b>Subtotal</b>  | 317                                  | 240                                  | 233                                    | 236                                   | 237                                   | 237                                   |
| Internal Services  | 49                                   | 115 <sup>4</sup>                     | 134                                    | 136                                   | 136                                   | 135                                   |
| <b>Total</b>   | 366                                  | 355                                  | 367                                    | 372                                   | 373                                   | 372                                   |

FTEs declined from 2017–18 to 2018–19. Given FINTRAC's enhanced security posture and unique position as an agency outside the core public service, the lead-time to screen qualified candidates and fill vacant positions can be lengthy at times. Vacant positions have been filled throughout the fiscal year and forecast FTEs in 2019–20 are expected to return to a level similar to 2017–18.

FTEs are expected to increase in 2020–21 and 2021–22 based on the funding profile of the Budget 2019 funding to Strengthen Canada's Anti-Money Laundering and Anti-Terrorist Financing Regime. FTEs decrease slightly 2022–23 based on sun setting Budget 2019 funding.

<sup>4</sup> To comply with TBS' Guideline on the Attribution of Internal Services, the way in which FINTRAC codes its internal service expenditures has changed. This change has resulted in some financial and human resources figures shift from being reported under the programs to being reported under Internal Services. Examples of activities coded under Internal Services of significance for FINTRAC include, representing Canada internationally on anti-money laundering and anti-terrorist financing, the management of a comprehensive privacy protection and security program, and a large IMIT program supporting the Centre's information centric mandate. As a result, Internal Services figures are higher as at the 2018–19 fiscal year.

## Estimates by vote

Information on the FINTRAC's organizational appropriations is available in the [2020–21 Main Estimates](#).<sup>vii</sup>

## Condensed future-oriented statement of operations

The condensed future-oriented statement of operations provides an overview of FINTRAC's operations for 2019–20 to 2020–21.

The amounts for forecast and planned results in this statement of operations were prepared on an accrual basis. The amounts for forecast and planned spending presented in other sections of the Departmental Plan were prepared on an expenditure basis. Amounts may therefore differ.

A more detailed future-oriented statement of operations and associated notes, including a reconciliation of the net cost of operations to the requested authorities, are available on FINTRAC's [website](#).

Condensed future-oriented statement of operations for the year ending March 31, 2021 (dollars)

| Financial information  | 2019–20 forecast results | 2020–21 planned results | Difference (2020–21 planned results minus 2019–20 forecast results) |
|--|--------------------------|-------------------------|---|
| Total expenses   | 56,745,463               | 66,928,996              | 10,183,533  |
| Total revenues   | 0                        | 0                       | 0   |
| Net cost of operations before government funding and transfers | 56,745,463               | 66,928,996              | 10,183,533  |



## Corporate information

### Organizational profile

**Appropriate minister:** The Honourable William Francis Morneau, Minister of Finance

**Institutional Head:** Nada Semaan, Director and Chief Executive Officer

**Ministerial portfolio:** Finance

**Enabling instrument:** Proceeds of Crime (Money Laundering) and Terrorist Financing Act, S.C. 2000, c. 17. (PCMLTFA)

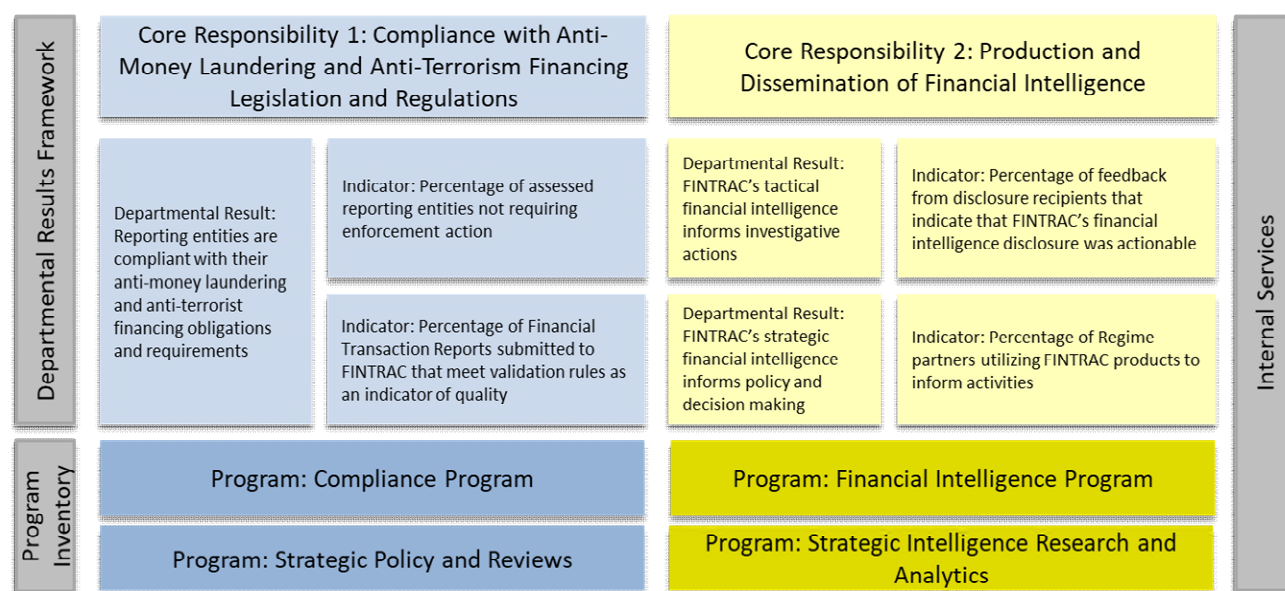
**Year of commencement:** 2000

### Raison d'être, mandate and role: who we are and what we do

“Raison d'être, mandate and role: who we are and what we do” is available on [FINTRAC's website](#).

### Reporting framework

FINTRAC's approved departmental results framework and program inventory for 2020–21 are as follows:



FINTRAC has made changes to the departmental results and indicators associated with both of its core responsibilities to increase transparency and improve reporting on program impact.

More specifically, the Core Responsibility 1 revisions increases the focus on the longer-term changes in behaviour while the Core Responsibility 2 revisions measure the longer-term impacts and facilitates the assessment of change from year to year.

FINTRAC made one change to the program inventory to better reflect the programs activities as follows:

| Structure                  |                | 2020-21  | 2019-20                             | Change       | Reason for change |
|----------------------------|----------------|--|-------------------------------------|--------------|-------------------|
| <b>CORE RESPONSIBILITY</b> |                | Compliance                                     | Compliance                          | No change    | Not applicable    |
|                            | <b>PROGRAM</b> | Compliance Program                             | Compliance Program                  | No change    | Not applicable    |
|                            | <b>PROGRAM</b> | Strategic Policy and Reviews                   | Strategic Compliance and Reviews    | No change    | Not applicable    |
| <b>CORE RESPONSIBILITY</b> |                | Financial Intelligence                         | Financial Intelligence              | No change    | Not applicable    |
|                            | <b>PROGRAM</b> | Financial Intelligence Program                 | Financial Intelligence Program      | No change    | Not applicable    |
|                            | <b>PROGRAM</b> | Strategic Intelligence, Research and Analytics | Strategic Intelligence and Research | Title change | Note 1            |

**Note 1** Name changed to better reflect activities



## Supporting information on the program inventory

Supporting information on planned expenditures, human resources, and results related to FINTRAC's program inventory is available in the [GC InfoBase](#).<sup>viii</sup>

## Supplementary information tables

The following supplementary information tables are available on [FINTRAC's website](#):

- ▶ [Departmental Sustainable Development Strategy](#)
- ▶ [Gender-based analysis plus](#)

## Federal tax expenditures

FINTRAC's Departmental Plan does not include information on tax expenditures that relate to its planned results for 2020–21.

Tax expenditures are the responsibility of the Minister of Finance, and the Department of Finance Canada publishes cost estimates and projections for government-wide tax expenditures each year in the [Report on Federal Tax Expenditures](#).<sup>ix</sup> This report provides detailed information on tax expenditures, including objectives, historical background and references to related federal spending programs, as well as evaluations, research papers and gender-based analysis. The tax measures presented in this report are solely the responsibility of the Minister of Finance.

## Organizational contact information

### Mailing address

Financial Transactions and Reports Analysis Centre of Canada  
234 Laurier Avenue West  
Ottawa, Ontario K1P 1H7  
Canada

**Telephone:** 1-866-346-8722 (toll free)

**Fax:** 613-943-7931

**Email:** [guidelines-lignesdirectrices@fintrac-canafe.gc.ca](mailto:guidelines-lignesdirectrices@fintrac-canafe.gc.ca)

**Website(s):** <http://www.fintrac-canafe.gc.ca/intro-eng.asp>



## Appendix: definitions

### **appropriation (crédit)**

Any authority of Parliament to pay money out of the Consolidated Revenue Fund.

### **budgetary expenditures (dépenses budgétaires)**

Operating and capital expenditures; transfer payments to other levels of government, organizations or individuals; and payments to Crown corporations.

### **core responsibility (responsabilité essentielle)**

An enduring function or role performed by a department. The intentions of the department with respect to a core responsibility are reflected in one or more related departmental results that the department seeks to contribute to or influence.

### **Departmental Plan (plan ministériel)**

A report on the plans and expected performance of a department over a 3-year period. Departmental Plans are tabled in Parliament each spring.

### **departmental priority (priorité ministérielle)**

A plan or project that a department has chosen to focus and report on during the planning period. Departmental priorities represent the things that are most important or what must be done first to support the achievement of the desired departmental results.

### **departmental result (résultat ministériel)**

A consequence or outcome that a department seeks to achieve. A departmental result is often outside departments' immediate control, but it should be influenced by program-level outcomes.

### **departmental result indicator (indicateur de résultat ministériel)**

A factor or variable that provides a valid and reliable means to measure or describe progress on a departmental result.

### **departmental results framework (cadre ministériel des résultats)**

A framework that consists of the department's core responsibilities, departmental results and departmental result indicators.

### **Departmental Results Report (rapport sur les résultats ministériels)**

A report on a department's actual accomplishments against the plans, priorities and expected results set out in the corresponding Departmental Plan.

### **experimentation (expérimentation)**

The conducting of activities that seek to first explore, then test and compare, the effects and impacts of policies and interventions in order to inform evidence-based decision-making, and

improve outcomes for Canadians, by learning what works and what doesn't. Experimentation is related to, but distinct from innovation (the trying of new things), because it involves a rigorous comparison of results. For example, using a new website to communicate with Canadians can be an innovation; systematically testing the new website against existing outreach tools or an old website to see which one leads to more engagement, is experimentation.

**full-time equivalent (équivalent temps plein)**

A measure of the extent to which an employee represents a full person-year charge against a departmental budget. Full-time equivalents are calculated as a ratio of assigned hours of work to scheduled hours of work. Scheduled hours of work are set out in collective agreements.

**gender-based analysis plus (GBA+) (analyse comparative entre les sexes plus [ACS+])**

An analytical process used to assess how diverse groups of women, men and gender-diverse people experience policies, programs and services based on multiple factors including race, ethnicity, religion, age, and mental or physical disability.

**government-wide priorities (priorités pangouvernementales)**

For the purpose of the 2020–21 Departmental Plan, government-wide priorities refers to those high-level themes outlining the government's agenda in the 2015 Speech from the Throne, namely: Growth for the Middle Class; Open and Transparent Government; A Clean Environment and a Strong Economy; Diversity is Canada's Strength; and Security and Opportunity.

**horizontal initiative (initiative horizontale)**

An initiative in which two or more federal organizations are given funding to pursue a shared outcome, often linked to a government priority.

**non-budgetary expenditures (dépenses non budgétaires)**

Net outlays and receipts related to loans, investments and advances, which change the composition of the financial assets of the Government of Canada.

**performance (rendement)**

What an organization did with its resources to achieve its results, how well those results compare to what the organization intended to achieve, and how well lessons learned have been identified.

**performance indicator (indicateur de rendement)**

A qualitative or quantitative means of measuring an output or outcome, with the intention of gauging the performance of an organization, program, policy or initiative respecting expected results.

**performance reporting (production de rapports sur le rendement)**

The process of communicating evidence-based performance information. Performance reporting supports decision-making, accountability and transparency.

**plan (plan)**

The articulation of strategic choices, which provides information on how an organization intends to achieve its priorities and associated results. Generally a plan will explain the logic behind the strategies chosen and tend to focus on actions that lead up to the expected result.

**planned spending (dépenses prévues)**

For Departmental Plans and Departmental Results Reports, planned spending refers to those amounts presented in the Main Estimates.

A department is expected to be aware of the authorities that it has sought and received. The determination of planned spending is a departmental responsibility, and departments must be able to defend the expenditure and accrual numbers presented in their Departmental Plans and Departmental Results Reports.

**program (programme)**

Individual or groups of services, activities or combinations thereof that are managed together within the department and focus on a specific set of outputs, outcomes or service levels.

**program inventory (répertoire des programmes)**

Identifies all of the department's programs and describes how resources are organized to contribute to the department's core responsibilities and results.

**result (résultat)**

An external consequence attributed, in part, to an organization, policy, program or initiative. Results are not within the control of a single organization, policy, program or initiative; instead they are within the area of the organization's influence.

**statutory expenditures (dépenses législatives)**

Expenditures that Parliament has approved through legislation other than appropriation acts. The legislation sets out the purpose of the expenditures and the terms and conditions under which they may be made.

**strategic outcome (résultat stratégique)**

A long-term and enduring benefit to Canadians that is linked to the organization's mandate, vision and core functions.

**target (cible)**

A measurable performance or success level that an organization, program or initiative plans to achieve within a specified time period. Targets can be either quantitative or qualitative.

**voted expenditures (dépenses votées)**

Expenditures that Parliament approves annually through an Appropriation Act. The vote wording becomes the governing conditions under which these expenditures may be made.

## Endnotes

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- i. GC InfoBase, <https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start>
- ii. GC InfoBase, <https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start>
- iii. GC InfoBase, <https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start>
- iv. GC InfoBase, <https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start>
- v. GC InfoBase, <https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start>
- vi. GC InfoBase, <https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start>
- vii. 2018–19 Main Estimates, <https://www.canada.ca/en/treasury-board-secretariat/services/planned-government-spending/government-expenditure-plan-main-estimates.html>
- viii. GC InfoBase, <https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start>
- ix. Report on Federal Tax Expenditures, <http://www.fin.gc.ca/purl/taxexp-eng.asp>