

Financial Transactions and Reports Analysis Centre of Canada

2021–22

Departmental Plan

The Honourable Chrystia Freeland P.C, M.P.
Deputy Prime Minister and Minister of Finance

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as represented by the Minister of Finance, 2021

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Message from the Director and Chief Executive Officer

I am honoured to have been appointed as the new Director and Chief Executive Officer for the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC), and I am proud to share FINTRAC's Departmental Plan, which sets out our priorities for the upcoming fiscal year.

FINTRAC is Canada's Anti-Money Laundering and Anti-Terrorist Financing (AML/ATF) regulator and financial intelligence unit. As we navigate an ever-changing economic, technological, and social environment, we remain committed to adapting our programs to continue 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.



The global pandemic has had a significant impact on FINTRAC's operations, just as it has had on Canadians across the country. Through the determined and dedicated efforts of our staff and thousands of businesses across Canada, we have continued to receive and analyze vital financial transaction reporting throughout the crisis and have continued to provide actionable financial intelligence in support of the investigations of Canada's police, law enforcement and national security agencies. Early in 2020, the Centre recalibrated its priorities to equip staff for remote work while keeping FINTRAC's headquarters building open and secure. In uncertain times, the Centre's financial intelligence is more important than ever as criminals and terrorists look to take advantage of opportunities to enrich themselves and advance their illicit enterprises.

As we look to the coming year, we will continue to adapt to our operating environment with a focus on implementing a number of changes and enhancements that are intended to strengthen Canada's AML/ATF Regime. These include working more closely with Canada's financial institutions. On June 1, 2021, we will add large virtual currency transactions to the scope of reports we receive from Canadian businesses. In addition, we will work closely with the Department of Finance Canada and other Regime stakeholders to advance recent announcements to amend the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* intended to strengthen our operational and legislative framework.

To deliver our planned results, we will enhance our capabilities and ensure that the technological foundation for our analytical work, the hardware and systems that we rely on, are modernized and strengthened to better manage the volumes of information that must be received, analyzed and secured. We will also expand our partnerships with police and business by enhancing lawful information sharing to better detect, prevent and disrupt money laundering and criminal activity more broadly.

Our people are our greatest strength and the key to delivering on our commitments to Canadians. In the year ahead, we will continue to strengthen our culture by developing a comprehensive Workplace Wellness and Culture action plan focused on how to provide the best employee work

experience that maximizes our people's potential while fostering an open, diverse and inclusive culture that drives excellence and innovation. We will also continue to enhance the growth of our people, our safety and well-being, and our ability to scale and flex to respond to our changing environment to deliver on our priorities.

In the face of a global pandemic, FINTRAC staff have demonstrated great resilience and commitment to protecting Canada's financial sector and Canadians from criminal abuse. I am confident that our expertise and determination will serve us well going forward.

Sarah Paquet
Director and Chief Executive Officer

Plans at a glance

Digitization of the financial sector has accelerated as individuals and businesses alike have taken up digital payments in unprecedented numbers and variety. Consumer demand and industry innovation has seen the emergence of new financial products in recent years, such as buy-now, pay-later products, while competition has encouraged new operators to enter the market. Regulatory and consumer-driven changes in the financial system has encouraged third parties, such as financial technology (FinTech) and regulatory technology (RegTech) providers to emerge. Traditional products and services, however, continue to remain in demand, such as cash-based remittance services.

Money and profits motivate and facilitate organized crime. Sophisticated and dynamic criminal groups relentlessly develop new ways to exploit the vulnerabilities of financial systems to launder the proceeds of crime. The movement of this money underpins how transnational, serious and organized crime is operating and pivoting in response to global changes.

Similarly, extremist and terrorist organizations seek out opportunities to secure financing to fund their activities and operations. In addition to more conventional methods of banking, remittances and money laundering, new technologies like cryptocurrencies present new channels through which these organizations may be financed.

The emergence of COVID-19 has presented new challenges for the financial sector and, in turn, for FINTRAC and other financial regulators. This includes the rapid adoption of new approaches to validate customers' identity and maintain compliance to regulatory requirements in alignment to Public Health directives. In addition, the widespread upheavals caused by COVID-19 have presented new opportunities for criminals to exploit pre-existing money laundering and terrorism financing vulnerabilities within the changing pandemic context.

Within this operating context, FINTRAC continues to pursue its vision and strategic priorities, built on a foundation of three pillars that, together, bring to life the vision of 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.

Inside 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 behaviour.

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

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"> • Implement a strategic, enterprise approach to managing FINTRAC's infrastructure, applications, and data. • Implement tools and processes that will effectively enable collaboration, mobility and information sharing. • Leverage our information technology and systems to enhance outcomes.
Explore and implement innovative solutions	<ul style="list-style-type: none"> • Implement a FINTRAC-wide approach for innovation, which includes policy, technology, and processes. • 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. • Embrace multiple perspectives and promote internal collaboration to leverage the Centre's knowledge and expertise to identify future trends and address possible challenges. • Investigate and promote opportunities for private sector engagement and partnerships.

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.

FINTRAC Priorities	Strategic Actions
Cultivate strategic relationships with key external stakeholders	<ul style="list-style-type: none">• 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.• Play a leadership role in international fora to support the government’s broader international efforts to combat money laundering and terrorist activity financing.• Work with external stakeholders to discover new ways of doing business.• Enhance transparency and demonstrate progress with our external stakeholders.
Strengthen cross-government cooperation	<ul style="list-style-type: none">• 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.• Work with central agencies in creating more efficient and effective interactions.

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 2021–22, 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, and key risks” section of this report.

Core responsibilities: planned results and resources

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

Description

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 and foreign money services businesses that direct and provide services to persons and entities 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 obligations. Central to this are a host of activities aimed at ensuring that reporting entities submit high quality and timely reports to FINTRAC.

Maintaining an effective compliance program 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. In 2021–22, FINTRAC will actively and holistically pursue the modernization of its compliance program to further enhance its effectiveness in this already challenging and ever-changing setting, including in particular in the face of the ongoing pandemic. To achieve the expected results, FINTRAC plans to undertake the following major activities:

- As threats evolve and criminals seek opportunities to exploit vulnerabilities and circumvent existing controls, legal and policy settings must too evolve to remain effective in preventing criminal activities. A key priority for 2021–22 will be to continue with the implementation of regulatory amendments coming into force on June 1, 2021. The amendments include new requirements for reporting of large virtual currency transactions and extending obligations to foreign money services businesses and businesses dealing in virtual currencies, as well as extending obligations related to beneficial ownership and politically exposed persons to all reporting entity sectors. This activity will continue to entail substantial national consultations

with stakeholders and a rigorous implementation phase including capacity building in emerging functional areas to ensure the expected outcome of an enhanced AML/ATF Regime is achieved.

- In addition to the implementation of the regulatory amendments coming into force on June 1, 2021, FINTRAC will also work closely with the Department of Finance Canada and other stakeholders to advance new policy initiatives described in recent government announcements. As was announced the Fall Economic Statement, the government is proposing to amend the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* to enable FINTRAC to recover its compliance costs.
- In an environment where protection of privacy is of paramount importance, ongoing collaboration with Canada’s multi-agency AML/ATF Regime partners will continue to identify and address deficiencies, gaps and vulnerabilities. The aim is to optimize the alignment of information provided by reporting entities with the evolving nature of money laundering and terrorist financing. This optimization is being achieved through legislative and regulatory amendments, new compliance assessment and enforcement strategies, as well as increased outreach to new and existing high-risk groups.
- In 2021–22, FINTRAC will take full responsibility for compliance examinations of Federally Regulated Financial Institutions (FRFI) that were formerly undertaken by the Office of the Superintendent of Financial Institutions (OSFI). During the year, FINTRAC will continue to develop business processes and build capacity as it assumes responsibility for all PCMLTFA related activities in relation to these important reporting entities. Planned activities include conducting independent assessments, follow-ups and relationship management activities. In addition, FINTRAC will continue to work on recruiting and training of the individuals who will be responsible for the effective implementation of this initiative.
- FINTRAC will also continue to actively participate in the Commission of Inquiry into Money Laundering in British Columbia (“Cullen Commission”) to add value to its information collection and to identify where the Commission’s reports recommend valuable adjustments and improvements. The Centre will work with other AML/ATF Regime partners to address the recommendations that the Commission will make when publishing its final report expected during the 2021–22 fiscal year.
- Management of the revised program of Administrative and Monetary Penalties (AMP) will continue as a means to encourage reporting entities to address deficiencies in their compliance programs. In 2021–22, FINTRAC will continue to publish all AMPs that have been imposed as required by recent changes to the *Act*.

- Last, to enable reporting entities to meet their obligations, FINTRAC will continue to provide ongoing guidance and support through conferences, working groups, training sessions, policy interpretations, as well as through collaboration with industry associations and other regulators. A key priority will be the completion of updates and publication of guidance pieces related to regulatory amendments coming into force on June 1, 2021. After that, revisions to guidance on the various FINTRAC reporting forms will also be initiated.

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	2017–18 actual result	2018–19 actual result	2019–20 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 ¹	90%	March 31, 2022	Not applicable ²	Not applicable ²	Not applicable ²
	Percentage of financial transaction reports submitted to FINTRAC that meet validation rules as an indicator of quality	90%	March 31, 2022	Not applicable ²	91.7% Percentage of Financial Transaction Reports submitted to FINTRAC that meet quality requirements	88.1% Percentage of Financial Transaction Reports submitted to FINTRAC that meet quality requirements

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

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

² FINTRAC added this result indicator to its Departmental Results Framework in 2020–21. Actual Results will be available beginning with the 2020–21 Departmental Results Report.

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

2021–22 budgetary spending (as indicated in Main Estimates)	2021–22 planned spending	2022–23 planned spending	2023–24 planned spending
27,917,066	28,792,401	30,103,267	29,218,783

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

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

2021–22 planned full-time equivalents	2022–23 planned full-time equivalents	2023–24 planned full-time equivalents
137	127	127

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

Production and Dissemination of Financial Intelligence

Description

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 international and domestic 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, the security and intelligence community, 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 provides actionable financial intelligence to Canada's police, law enforcement and national security agencies, domestic securities regulators or international financial investigators and Financial Intelligence Units (FIUs) to help them combat money laundering, terrorism financing and threats to the security of Canada.

Often based on hundreds or even thousands of financial transactions, FINTRAC's financial intelligence disclosures may show links between individuals and businesses that have not been identified in an investigation, and may help investigators refine the scope of their cases or shift their sights to different targets. A disclosure can pertain to an individual or a wider criminal network, and can also be used by police and law enforcement to put together affidavits to obtain search warrants and production orders. 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.

FINTRAC's financial intelligence also plays a role in advancing and supporting innovative project-based public-private sector partnerships. These partnerships are currently aimed at more effectively combatting money laundering in British Columbia and across Canada, human trafficking in the sex trade, romance fraud, the trafficking of illicit fentanyl, and child sexual abuse material on the Internet. By partnering with Canadian businesses, police and law enforcement agencies across Canada, FINTRAC has been effective in following the money to identify potential subjects, uncovering broader financial connections and providing intelligence to advance national project-level investigations.

In addition to FINTRAC's Financial Intelligence disclosures, 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 2021–22, the following activities will be undertaken:

- FINTRAC will continue to generate and issue actionable financial intelligence in the form of financial intelligence disclosures and contributions to investigations to relevant agencies, including federal, provincial and municipal law enforcement, national security agencies as well as other agencies designated to receive intelligence including Revenue Québec and the Competition Bureau. As it has done throughout fiscal year 2020–21, FINTRAC will continue to provide intelligence related to new and emerging money laundering predicate offences such as those that have emerged and may continue to present during the COVID-19 pandemic.
- Priority will be given to building on the successes of public-private partnerships (PPPs). Encouraging results from Project Guardian (Fentanyl) and Project Chameleon (Romance Fraud) have set the stage for additional collaborative undertakings. In 2021–22, FINTRAC will continue to focus on Project Athena, which began as a Combined Forces Special Enforcement Unit (B.C.) probe into the use of bank drafts at casinos in British Columbia. An Operational Alert from FINTRAC provided money laundering indicators that were observed in FINTRAC disclosures involving bank drafts that are suspected to have roots in underground banking. The Centre will also focus on its flagship Project Protect related to human trafficking, and Project Shadow, a new public-private partnership aimed at improving the collective understanding of online child sexual exploitation and the facilitation and laundering of funds related to this illicit activity.
- 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 and will work closely with the new Centre of Excellence at CBSA to address trade based money laundering.
- 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 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	2017–18 actual result	2018–19 actual result	2019–20 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, 2022	92% Percentage of disclosure recipients indicating that information provided was actionable	90% Percentage of feedback from disclosure recipients that indicates that FINTRAC's financial intelligence disclosure was actionable	97% Percentage of feedback from disclosure recipients that indicates that FINTRAC's 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 ³	TBD ⁴	March 31, 2022	Not applicable ⁵	Not applicable ⁵	Not applicable ⁵

³ There are 13 Regime Partners including OSFI and RCMP. Examples of products include operational alerts, environmental scans and financial intelligence reports.

⁴ FINTRAC is currently collecting baseline data for this results indicator and will establish a target beginning in 2022–23.

⁵ FINTRAC added this result indicator to its Departmental Results Framework in 2020–21. Actual Results will be available beginning with the 2020–21 Departmental Results Report.

Financial, human resources and performance information for FINTRAC’s program inventory is available in the [GC InfoBase](#).^{iv}

Planned budgetary financial resources for Production and Dissemination of Financial Intelligence

2021–22 budgetary spending (as indicated in Main Estimates)	2021–22 planned spending	2022–23 planned spending	2023–24 planned spending
20,829,899	21,554,226	23,849,945	24,012,118

Financial, human resources and performance information for FINTRAC’s program inventory is available in the [GC InfoBase](#).^v

Planned human resources for Production and Dissemination of Financial Intelligence

2021–22 planned full-time equivalents	2022–23 planned full-time equivalents	2023–24 planned full-time equivalents
116	116	116

Financial, human resources and performance information for FINTRAC’s program inventory is available in the [GC InfoBase](#).^{vi}

Internal Services

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.

As FINTRAC's responsibilities and operations continue to grow in scope and complexity, its ability to deliver on its mandate remains directly tied to its adaptability, the skills and dedication of its employees, and the tools and resources available for them to do their work. As an organization committed to excellence, FINTRAC is focused on the effective management of its human, technological and financial resources.

The challenges of 2020, particularly from COVID-19, have shown the resilience and flexibility of FINTRAC's staff. It has illustrated the benefits of new and different approaches to communicating and operating as an organization. In 2021–22, the Centre will look to take the

lessons learned from this challenging period to enhance flexible and inclusive work practices. In tandem to these lessons learned, IM/IT will make use of its soon to be launched Digital Strategy to guide how to solve business challenges.

To achieve its Internal Services objectives, FINTRAC will undertake the following activities in 2021–22:

- FINTRAC will continue to implement its People and Culture Strategy 2019–24 with a focus on the areas of talent acquisition, talent management, enterprise learning, organizational design, and total compensation. Activities in support of the People and Culture Strategy that are planned for 2021–22 include:
 - Conducting a comprehensive compensation review and market analysis to ensure the organization is optimally positioned attract and retain the talent and corresponding skillsets required
 - Continue with targeted and proactive talent acquisition/recruitment strategies and initiatives such as virtual career fairs, targeted recruitment campaigns, as well as enhanced strategies to maximize student recruitment
 - Finalizing the Workplace Wellness and Culture Action Plan
 - Dedicated focus on leadership development and talent management across the Centre through targeted support and resources, such as training, mentorship, coaching and upskilling for the management community
 - Developing an enterprise training standard
 - Nurturing a culture of diversity, civility and inclusion through continuous engagement and communications
 - Reviewing FINTRAC's organizational structure at the FT- director level equivalent and above with the purpose of ensuring the Centre is able to meet its current and future priorities, and is well positioned to attract and retain top talent given the current competitive labour market
- A key focus for 2021–22, will be to develop and implement the FINTRAC Digital Strategy. This strategy is a three year business centric plan that is focused on creating value for our external partners, stakeholders and clients as well as for our internal staff. It is progressive and will map out how FINTRAC, through the application of culture, processes, business models and advanced technologies, will respond to the organizations raised expectations of a digital landscape. The FINTRAC Digital Strategy will achieve this by focusing on three strategic priorities which are;
 - establish foundational digital processes and infrastructure
 - speed up core business through digital automation, advanced analytics and artificial intelligence
 - create a better work experience for all staff by building a digital office

- As part of digital foundations, the Centre will stabilize FINTRAC's IM/IT critical infrastructure and legacy IM/IT systems. As increasing demands on FINTRAC's operations and programs continue to place significant pressure on the Centre's IM/IT infrastructure and systems, FINTRAC will move forward with plans to bring its IM/IT ecosystem up to a new standard, addressing technical gaps and vulnerabilities and ensuring the security and privacy of FINTRAC's data holdings. Key stabilization initiatives for 2021–22 include enhancing data quality, upgrading database infrastructure, enhancing disaster recovery capability and preparing the Centre for the move of its headquarters.
- An Enterprise Architecture Roadmap for the implementation and review of project investments will be finalized to guide the organization through the business, information/data, applications and infrastructure changes required for the Centre to execute its core responsibilities. Digital foundation initiatives will be implemented over the next few years, with investment priorities having already been established and funding secured via the recent Treasury Board Submission. This staged approach will ensure the stability, reliability and security of the Centre's digital systems at all times.
- In order to speed up core business, FINTRAC will modernize its processes and systems used to manage its data. FINTRAC will enable the Centre to build a standardized, programmatic approach to enhance data capacity and capabilities, speed up data search, build analysis capacity, improve risk modeling and maximize the use and value of data holdings. Key activities will include looking at innovative ways to leverage existing and new information technology to automate core business, enhance analytical tools and implement new legislation and regulations.
- In order to create a better work experience for all staff, FINTRAC will build a digital office over the next three years which will provide suite of secure and integrated collaboration tools and will look to modernize its financial, human resources and information management tools and processes.
- 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.

- FINTRAC will continue to adapt the Centre’s Security regime to reflect the new reality of COVID-19 such as increased remote work and managing occupancy of buildings to comply with public health directions and organizational security needs.
- The Centre will strengthen privacy protection and security through additional monitoring enhancement and by taking action, as appropriate, in response to the recommendations identified in the biennial audit of FINTRAC by the Office of the Privacy Commissioner launched in December 2019.
- Lastly, FINTRAC will continue to refine and adjust the Centre’s governance structures in response to organizational needs during the pandemic.

Planned budgetary financial resources for Internal Services

2021–22 budgetary spending (as indicated in Main Estimates)	2021–22 planned spending	2022–23 planned spending	2023–24 planned spending
35,294,149	36,253,947	37,690,393	36,863,793

Planned human resources for Internal Services

2021–22 planned full-time equivalents	2022–23 planned full-time equivalents	2023–24 planned full-time equivalents
160	167	164

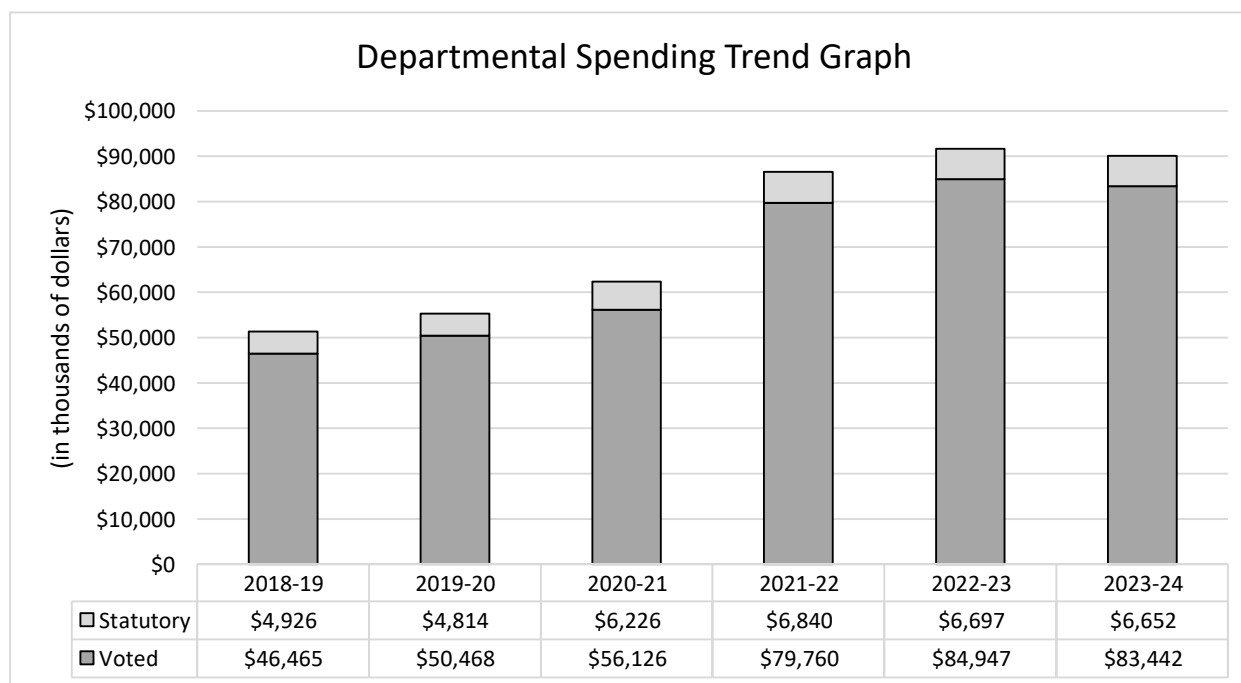
Spending and human resources

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 2018–19 to 2023–24

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



Actual Spending (2018–19 and 2019–20)

The resources available for spending in 2018–19 and 2019–20 were \$54.6M and \$60.2M respectively. Resources available for spending increased by \$5.6M from 2018–19 to 2019–20 primarily due to:

- An increase of \$3.6M in funding received in Budget 2019 to Strengthen Canada's Anti-Money Laundering and Anti-Terrorist Financing Regime.
- An increase of \$2.1M in funding associated with the compensation adjustments.
- A decrease of \$0.1M associated to the Operating Budget Carry-Forward and other technical adjustments.

Actual spending was \$51.4M in 2018–19 and \$55.3M in 2019–20, an increase of \$3.9M (7.6%). Spending increased in the following expenditure categories:

- Personnel expenditures increased by \$2.2M. In 2019–20, FINTRAC’s Executive Committee approved an economic increase for employees dating back to 2018. Retroactive salary expenses were incurred for 2018 and 2019 annual cost of living wage increases, increasing personal expenditures in 2019–20.
- Professional and special services increased by \$1.1M in 2019–20. Expenses increased in various service categories including legal services, informatics, management consulting, protection, and other professional services.
- Purchases, repairs and maintenance increased by \$0.6M. Increased costs are attributable to machinery and equipment, as well as office buildings.

Forecast Spending (2020–21)

Total authorities available for use in 2020–21 are anticipated to be \$80.9M. This is an increase of \$20.7M (34.4%) over the \$60.2M in authorities available for use in 2019–20. The increase is primarily due to:

- An increase of \$18.3M attributable to the funding announced in the July 2020 Economic and Fiscal Snapshot for fighting financial crime, relocation of FINTRAC’s office space and modernizing the cross-border currency reporting framework.
- An increase of \$1.3M attributable to approved re-profiles from fiscal year 2019–20 into 2020–21 to stabilize operations and programs.
- An increase of \$1.2M based on the profile of funding announced in Budget 2019 to strengthen Canada’s AML/ATF Regime.
- A decrease of \$0.1M 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 \$62.4M in 2020–21, consisting of \$56.2M in voted authorities and \$6.2M in statutory authorities. This is an increase of \$7.1M (12.8%) compared to the actual spending of \$55.3M in 2019–20. FINTRAC’s expenditures increased from the prior year following the receipt of the new funding announced in the July 2020 Economic and Fiscal Snapshot.

Planned Spending (2021–22 to 2023–24)

Planned spending is expected to increase from \$62.4M in 2020–21 to \$86.6M in 2021–22, an increase in projected expenditures of \$24.2M (38.8%). The following year, expenditures are anticipated to increase by \$5.0M (5.8%) to a peak of \$91.6M in 2022–23. Subsequent spending is expected to decrease by \$1.5M (-1.6%) to \$90.1M in projected expenditures for 2023–24. The variance in planned spending between 2021–22 to 2023–24 is largely based on the funding profile of funds announced in the July 2020 Economic and Fiscal Snapshot for fighting financial

crime, relocation of FINTRAC’s office space and modernization the cross-border currency reporting framework. The profile of funds announced in Budget 2019 to strengthen Canada’s AML/ATF Regime also has an impact on projected spending trends.

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)

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.

Core responsibilities and Internal Services	2018–19 expenditures	2019–20 expenditures	2020–21 forecast spending	2021–22 budgetary spending (as indicated in Main Estimates)	2021–22 planned spending	2022–23 planned spending	2023–24 planned spending
Compliance with Anti-Money Laundering and Anti-Terrorism Financing Legislation and Regulations	17,486,737	18,774,766	22,069,216	27,917,066	28,792,401	30,103,267	29,218,783
Production and Dissemination of Financial Intelligence	15,918,187	15,765,038	15,202,196	20,829,899	21,554,226	23,849,945	24,012,118
Subtotal	33,404,924	34,539,804	37,271,412	48,746,964	50,346,626	53,953,211	53,230,901
Internal Services	17,986,364	20,742,962	25,080,515	35,294,149	36,253,947	37,690,393	36,863,793
Total	51,391,288	55,282,766	62,351,927	84,041,113	86,600,573	91,643,604	90,094,694

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	2018–19 actual full-time equivalents	2019–20 actual full-time equivalents	2020–21 forecast full-time equivalents	2021–22 planned full-time equivalents	2022–23 planned full-time equivalents	2023–24 planned full-time equivalents
Compliance with Anti-Money Laundering and Anti-Terrorist Financing Legislation and Regulations	129	127	136	137	127	127
Production and Dissemination of Financial Intelligence	111	102	107	116	116	116
Subtotal	240	229	243	253	243	243
Internal Services	115	123	143	160	167	164
Total	355	352	386	413	410	407

Between 2018–19 and 2019–20, FTEs declined slightly from 355 to 352. In 2020–21, FTEs are forecast to increase to 386. Vacant positions have been filled throughout the fiscal year. New FTEs funded by Budget 2019, and the July 2020 Economic and Fiscal Snapshot are also being filled. FTEs are anticipated to increase further to 413 in 2021–22 as new staff members continue to be brought on strength following the recent funding decisions. Based on the profile of funding announced in 2019 and 2020, FTEs will decrease slightly to 410 in 2022–23 and 406 in 2023–24 when some temporary funding ends.

Estimates by vote

Information on FINTRAC's organizational appropriations is available in the [2021–22 Main Estimates](#).^{vii}

Future-oriented Condensed statement of operations

The future-oriented condensed statement of operations provides an overview of FINTRAC's operations for 2020–21 to 2021–22.

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](#)^{viii}.

Future-oriented Condensed statement of operations for the year ending
March 31, 2022 (dollars)

Financial information	2020–21 forecast results	2021–22 planned results	Difference (2021–22 planned results minus 2020–21 forecast results)
Total expenses	65,539,097	90,244,782	24,705,685
Total revenues	0	0	0
Net cost of operations before government funding and transfers	65,539,097	90,244,782	24,705,685

Corporate information

Organizational profile

Appropriate minister: The Honourable Chrystia Freeland, Deputy Prime Minister and Minister of Finance

Institutional Head: Sarah Paquet, Director and Chief Executive Officer

Ministerial portfolio: Finance

Enabling instrument: [Proceeds of Crime \(Money Laundering\) and Terrorist Financing Act, S.C. 2000, c. 17. \(PCMLTFA\)](#)^{ix}

Year of commencement: 2000

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

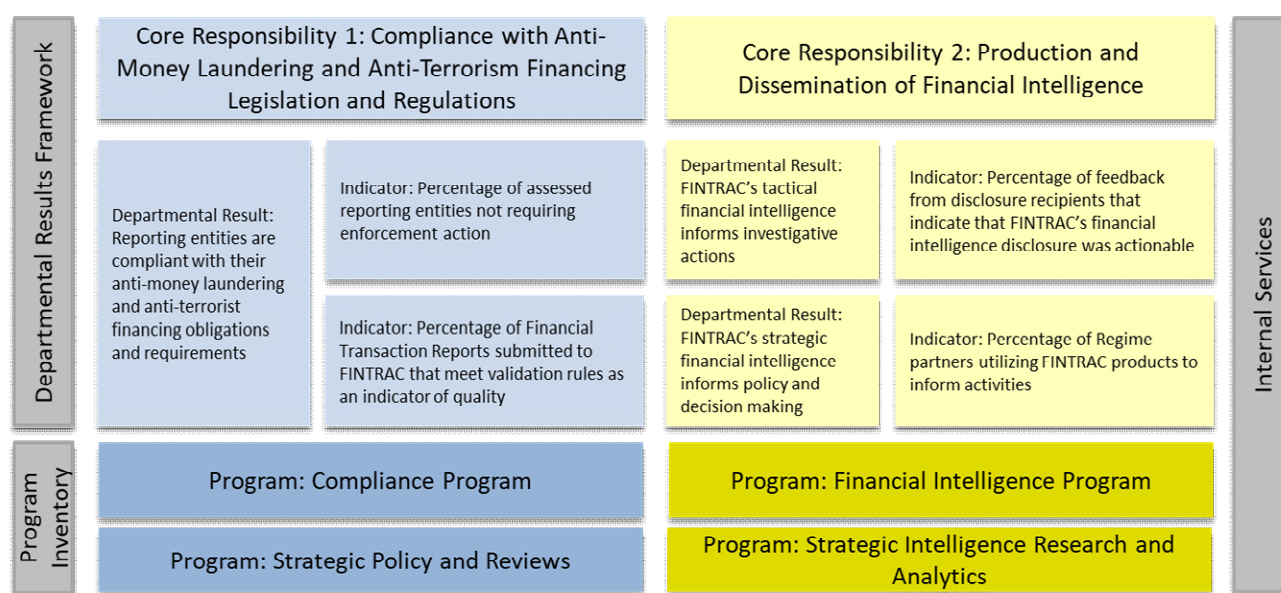
“[Raison d'être, mandate and role: who we are and what we do](#)” is available on FINTRAC’s website.

Operating context

[Information on the operating context](#) is available on FINTRAC’s website.

Reporting framework

FINTRAC’s approved departmental results framework and program inventory for 2021–22 are as follows.



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](#).^x

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 2021–22.

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](#).^{xi} 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

Website: <https://www.fintrac-canafe.gc.ca/intro-eng>

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 2021–22 Departmental Plan, government-wide priorities refers to those high-level themes outlining the government's agenda in the 2020 Speech from the Throne, namely: Protecting Canadians from COVID-19; Helping Canadians through the pandemic; Building back better – a resiliency agenda for the middle class; The Canada we're fighting for.

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

- 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. 2019–20 Main Estimates, <https://www.canada.ca/en/treasury-board-secretariat/services/planned-government-spending/government-expenditure-plan-main-estimates.html>
- viii. Future-oriented condensed statement of operations, <https://www.fintrac-canafe.gc.ca/about-apropos/corp-publications-eng>
- ix. Proceeds of Crime (Money Laundering) and Terrorist Financing Act, <https://laws-lois.justice.gc.ca/eng/acts/p-24.501/>
- x. GC InfoBase, <https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start>
- xi. Report on Federal Tax Expenditures, <https://www.canada.ca/en/department-finance/services/publications/federal-tax-expenditures.html>