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# Standing Committee on Access to Information, Privacy and Ethics

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Chair: John Brassard





## Standing Committee on Access to Information, Privacy and Ethics

Wednesday, October 22, 2025

• (1630)

[*Translation*]

**The Chair (John Brassard (Barrie South—Innisfil, CPC)):**  
Good afternoon, and welcome to meeting number 10 of the House of Commons Standing Committee on Access to Information, Privacy and Ethics.

[*English*]

Pursuant to Standing Order 108(3)(h) and the motion adopted by the committee on Wednesday, September 17, 2025, the committee is resuming its review of the Conflict of Interest Act.

I'd like to welcome our witness today. Mr. Jason Ward is principal analyst at the Centre for International Corporate Tax Accountability and Research. Mr. Ward is online.

Mr. Ward, I did speak in French. I wanted to understand whether the interpretation was working for you, sir, as there will be some questions asked of you in French. Make sure you're on the preferred language that you need to use.

I now invite you to address the committee for up to five minutes. Go ahead, please, sir.

**Jason Ward (Principal Analyst, Centre for International Corporate Tax Accountability and Research):** Thank you.

My name is Jason Ward. I'm the principal analyst of CICTAR, the Centre for International Corporate Tax Accountability and Research. Thank you very much for inviting me to testify.

I come to you from unceded lands of the Darug people, more commonly referred to as the Blue Mountains outside of Sydney, Australia.

I'll begin with some brief opening remarks.

I am not an expert in Canada's Conflict of interest Act, but I do have significant expertise in the abuse of tax havens and trusts.

CICTAR has done some relevant work in relation to tax avoidance by Brookfield, which mostly occurred during the period when Prime Minister Mark Carney was chair of Brookfield.

In the lead-up to the federal election in Canada, and following the election, our research on Brookfield has received renewed interest in Canada and globally. In addition to Brookfield, we've also done numerous reports and some unpublished research related to tax avoidance and the use of tax havens by several of Canada's largest public pension funds.

I'll review some of the relevant research very quickly and then conclude with some simple recommendations for greater transparency in Canada.

Our first research was done in January 2021, and we published a report entitled "Tax Dodging by a Canadian Crown Corporation: Revera Living Making a Killing". It looked at the Public Sector Pension Investment Board's 100% ownership of Revera. Due to the incomplete reporting and lack of available public information, we examined Revera's ownership of care homes in the United Kingdom and found significant use of tax havens and tax avoidance on the ownership of those assets.

We published a similar report in February 2021, which was facing the U.K. rather than facing Canada. That report was called "Darkness at Sunrise: UK Care Homes Shifting Profits Offshore?".

In February 2022, we published a report in both English and French on Orpea. It's now renamed Emeis after a major scandal and collapse. Orpea was the largest care home company in Europe, and the Canada Public Pension Investment Board was the largest shareholder for over a decade. The English version of that report was entitled "Caring for People or Profit? The Financial Engineering & Real Estate Investment of Groupe Orpea".

Then, on the same topic but for a Canadian audience and focused on CPPIB's failure of governance and loss of \$500 million in workers' retirement savings, in October 2024, we published another report in both English and French. The English version was entitled "CPPIB's Orpea Debacle". Orpea was using undisclosed Luxembourg subsidiaries to shift profits away from shareholders, including CPPIB, into the pockets of management, who actually served some jail time in France. The company was eventually bailed out by the French government.

Our first report on Brookfield, published in June 2023, is called "Brookfield's Bermuda Base: Is Canada's Largest Alternative Asset Manager Dodging Global Taxes?" It looked at previous research on Brookfield from Canada and four international case studies to identify the use of tax havens and tax avoidance by Brookfield in multiple countries.

In February 2024, we published a report in Norway entitled "Kindergarten Landlord: Should Norwegian Taxpayers Finance Profits for One of the World's Largest Asset Managers?" That report examined Brookfield's investment in Norwegian kindergarten real estate and the impacts of public funding on that.

In May 2024, we published a report in Colombia, called “Brookfield’s Isagen: A Case Study on the Need for Change in the Global Tax System”. This report examined Brookfield’s profit shifting via Bermuda from its investment in Colombia’s largest hydropower electricity generator, which had been privatized previously.

Most recently, in September 2025, we published a report on Brookfield’s tax avoidance on privatized water and sanitation services in Brazil. The English version of the report was called “Water down investment, top up returns: The pitfalls of financing Basic Sanitation in Brazil”. That primarily looked at the abuse of public subsidies that Brookfield has taken advantage of to avoid tax payments in Brazil.

• (1635)

We’ve also made a detailed submission, recently made public, to the Parliament of New South Wales’ inquiry on Brookfield’s failed ownership of Healthscope, the second-largest private hospital company in Australia. The company is now in administration, and its troubled hospital in New South Wales has just been returned to public ownership.

It’s also worth noting that Caisse de dépôt Québec, CDPQ, was also a significant investor in this hospital company.

Our submission examines Brookfield’s extensive tax dodging and use of tax havens on the Healthscope investment and a range of other investments—

**The Chair:** Mr. Ward, I’m sorry. We’re over time by quite a bit.

I’m going to have you wrap up right there. There may be some questions that come your way so you can circle back to what you were going to say.

I’m going to start those lines of questions with Mr. Barrett from the Conservative Party of Canada for six minutes.

Go ahead, Mr. Barrett.

**Michael Barrett (Leeds—Grenville—Thousand Islands—Rideau Lakes, CPC):** Your report details how Brookfield uses subsidiaries in low-tax jurisdictions like Bermuda and related-party debt arrangements to reduce taxable profits.

Could similar opaque corporate mechanisms be used by public office holders or their associates to shield ownership or economic benefit in ways that undermine the spirit of Canada’s Conflict of Interest Act?

**Jason Ward:** Absolutely. The use of subsidiaries in tax havens and the use of trust structures can shield public office holders from having their income taxed as it was intended to be in Canada.

**Michael Barrett:** You wrote that Brookfield provides only the “bare minimum” of disclosure despite its ESG branding.

Given that the former Brookfield chair, Prime Minister Mark Carney, has built a public reputation around transparency and responsible capitalism, what minimum disclosure standards should apply to public office holders to prevent hidden offshore holdings?

**Jason Ward:** I think that the use of blind trusts is not an appropriate method for dealing with that issue. I think that investments in assets should be fully disclosed for any public office holder to

make sure that they are living up to the spirit of the law and paying tax along with other ordinary Canadian citizens whose income in general, I assume, is taxed from their payroll deductions and for whom there’s less ability to use offshore bank accounts and advice from high-powered accountants and tax lawyers in order to avoid their obligations to fund domestic services in Canada.

• (1640)

**Michael Barrett:** It’s interesting that you’ve effectively said that blind trusts don’t work in this case for the purposes of the Conflict of Interest Act. Given that, what specifically would you suggest replace them?

For example, we’ve had witnesses who have supported the notion of a divestment. Currently in the act, divestment is either placing controlled assets in a blind trust or liquidating them to allow for assets to be sold, and then for the proceeds to be placed into trusts and managed by a portfolio manager.

Would that type of solution satisfy the lack of transparency or the ability to hide the details that you’ve suggested it might?

**Jason Ward:** Yes, I do think that approach deals with the issue.

If you’re liquidating the assets and then putting the proceeds into a blind trust, I think that sufficiently covers the problem there.

**Michael Barrett:** The report highlights cases like Canary Wharf in the United Kingdom, where Brookfield generated significant revenue but paid very little local tax.

What lessons are there for Canada in terms of tracking the true location of economic activity and profits?

**Jason Ward:** Firstly, on the Canary Wharf investment, the U.K. tax authority has since investigated further and required that investment to pay money. I think the set-up of that investment was largely to avoid future payments of capital gains on the investment, rather than the ongoing rental income from the Canary Wharf property.

In terms of what Canada should do, I think it’s very much overdue for Canada to adopt a public country-by-country reporting regime. Australia has just done this; that is coming into effect this coming year. The European Union has also done this; that is coming into effect next year as well.

Australia's version is significantly stronger. In the case of Australia, any multinational that operates there with over \$10 million in revenue is required to disclose all of its basic financial details—profits, losses, revenue, related-party revenue and number of workers—in a list of 40 jurisdictions that are widely regarded as tax havens. This would include places like Bermuda, Singapore, Cayman Islands, along with Switzerland, Hong Kong and many other jurisdictions that are commonly abused as tax havens.

It's hard to fix a problem if you can't see it. I think transparency is ultimately the first step. We would strongly encourage Canada to follow both Australia and the European Union in requiring disclosure for all multinationals.

**The Chair:** You have five seconds.

**Michael Barrett:** Just very quickly, would banning the use of tax havens by public office holders allow for more transparency for Canadians?

**The Chair:** Give a quick response, please.

**Jason Ward:** Yes, I think that would be an interesting idea to pursue.

**The Chair:** Thank you.

[*Translation*]

Next up is Ms. Lapointe.

Mr. Ward, I believe Ms. Lapointe will ask her question in French.

[*English*]

Is the interpretation working fine?

[*Translation*]

Yes. Okay.

Go ahead, Ms. Lapointe. You have six minutes.

**Linda Lapointe (Rivière-des-Mille-Îles, Lib.):** Thank you very much, Mr. Chair.

Good morning, Mr. Ward. It's nice to have you with us via video conference from Sydney, Australia. Welcome to the House of Commons in Ottawa.

My first question is about something you touched on with Mr. Barrett.

You've often advocated for public country-by-country reporting. In your opinion, how would such a measure improve tax fairness in terms of public confidence in the Canadian tax system?

• (1645)

[*English*]

**Jason Ward:** That is a fantastic question.

I think faith in the Canadian tax system is undermined when it becomes clear to the general public that some of the richest individuals and largest corporations are not paying their fair share and are avoiding taxes. I think that having the information out in the public and requiring multinationals, which are clearly dodging hundreds of millions of dollars in Canadian taxes, to disclose where they're shifting their profits to allows Parliament and legislators to actually see what's going on and address the problem.

This information is currently available only to OECD tax authorities. The Canada Revenue Agency gets this information, but it can't be used by people like yourselves in order to understand what is going on and what loopholes need to be closed in order to stop companies like Brookfield from shifting profits to Bermuda, the Cayman Islands, Luxembourg and other such jurisdictions.

[*Translation*]

**Linda Lapointe:** Thank you.

To follow up on that, can you point to any countries in the Organisation for Economic Co-operation and Development or the European Union where this type of disclosure has led to better compliance or tax revenue outcomes?

[*English*]

**Jason Ward:** In the European Union, there has been public country-by-country reporting on financial institutions for a decade now. Studies have shown that the European banks have reduced their usage of subsidiaries in tax havens and have, in fact, increased the amount of tax paid by, I think, an estimated 10% from what was there prior to that disclosure requirement.

There are about 150 companies around the world that do voluntary public country-by-country reporting now, following the global reporting initiative, GRI, tax standard. The Australian legislation is based on that. It is the first widely recognized standard for public country-by-country reporting. It builds upon what the OECD does already in terms of confidential country-by-country reporting.

[*Translation*]

**Linda Lapointe:** Thank you.

You talked about Australia and Europe in general. Are you referring to all the countries in the European Union?

[*English*]

**Jason Ward:** Yes. The public country-by-country reporting was a European Union directive that has now been introduced into national law across all EU jurisdictions. Romania was the first country that implemented it ahead of the pack, so there is disclosure already available in Romania and disclosure from other European Union countries will be coming in.

The problem with the European Union set-up is that it only requires disclosure on EU member states—so the taxes paid, income, related-party transactions within the European Union—and does not cover tax havens outside the European Union.

Of course, there are tax havens inside the European Union, like Ireland, Luxembourg and the Netherlands, but it's limited in its geographical scope to the European Union, whereas in Australia, it's a broader geographic scope and covers what are widely recognized as the most abused tax havens.

[Translation]

**Linda Lapointe:** Thank you.

Based on your research, what sectors or types of corporate structures in Canada do you find are most likely to engage in tax avoidance?

[English]

**Jason Ward:** It's a good question.

The large IT firms make up one of the top two sectors in terms of aggressive tax avoidance. I'll give you one example. Microsoft is facing the largest tax bill in global history. The U.S. Internal Revenue Service, IRS, is pursuing Microsoft for close to \$30 billion and that may be just the tip of the iceberg, because the case they're pursuing in the courts is for a limited period of time but would cover a larger period.

The other sector that is very highly tax aggressive is big pharma. It's incredibly easy for both IT and pharma to shift their intellectual property into countries or into structures where it's easy to avoid tax because of royalty payments on intellectual property going into structures that provide tax shelters.

Even countries that are not necessarily full-fledged tax havens have created structures that allow discounted tax rates; these are called patent box regimes.

The six largest U.S. pharma companies have actually paid negative tax in the United States over the last two years and it's very clear that the vast majority of their income and profits are generated in the United States, but they're reporting that income in offshore jurisdictions and actually have received refunds collectively over the last two years.

• (1650)

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

[Translation]

Thank you, Ms. Lapointe.

[English]

I also forgot to tell you, Mr. Ward, that Ms. Lapointe is from the Liberal Party of Canada.

[Translation]

Mr. Thériault from the Bloc Québécois, you have the floor for six minutes.

**Luc Thériault (Montcalm, BQ):** Thank you, Mr. Chair.

Mr. Ward, thank you for your testimony. Your opening remarks were delivered very quickly. It was quite a challenge for the interpreter to keep up with you. I will try to speak slowly.

From day one of this study, I've always started with two very theoretical questions. I don't have your expertise, but I have a different kind of expertise. Let's try to have a conversation that will combine your expertise and mine.

Tax avoidance may be legal, but do you think it is moral?

[English]

**Jason Ward:** I will try to slow my speech.

That's a fantastic question. I do not think it's moral. I think people have an obligation to contribute to society and the public services, and I think that even though it may technically be legal, the problem is that much of this law was written by corporate lobbyists and is not for the benefit of society. I think there's significant need for greater transparency and for reforms to close loopholes that were written into the law for the benefit of wealthy individuals and large multinational corporations that have undue influence over the tax system.

There's one important development to mention here. With the Trump administration in the United States, the ability to progress through multilateral processes has been severely gutted. I think that there's an emerging opportunity through the United Nations tax convention that is being developed now; an opportunity to take a fundamental look at how the global tax system has been misshaped for the benefit of a few and to the detriment of the people and the planet.

I think there are some golden and urgent opportunities for reform and I think there are also opportunities for Canada to take a leading role in pushing forward for greater transparency.

[Translation]

**Luc Thériault:** Before I go to my next question, I want to ask about the series of studies you referred to earlier. I know that we can look at them ourselves, but I would like those documents to be tabled so they go on the record as evidence in our study. Could you provide those to the committee? Thank you.

I'm trying to make the point that just because something is legal doesn't make it moral. I'm also trying to make the point that ethics is a higher standard than the law. Ethical standards need to be broader.

Given what you've told us about Brookfield, I'm more concerned than I was before we started this study. We find ourselves in a unique situation. The former head of that firm is now the Prime Minister. The act that we are now reviewing gives us very few tools to regulate conflict of interest or the appearance of conflict of interest, in part because we limit the notion of conflict of interest to the benefits that an individual might obtain. However, when the benefits are more general in scope, the public and the Ethics Commissioner say there's no problem, even if there may be a conflict of interest. Brookfield can make a lot of money, and the Prime Minister can grow Brookfield's assets even if he doesn't know how much his personal wealth is growing in his blind trust. What we have here is an individual who doesn't seem totally transparent and clear about the morals we've been talking about all this time.

I'll stop there. What are your thoughts on that?

• (1655)

[English]

**Jason Ward:** Yes, I completely agree.

First of all, I have supplied the clerk with links to the documents that I referenced, so hopefully those will be shared with you.

I do think that it's incredibly important for a leader to set a moral standard and that it's highly problematic that the company he chaired for many years was engaged in very aggressive tax avoidance, and continues to be, and is also investing in international assets that are privatizing infrastructure and not delivering services to people as was intended, as well as taking advantage of generous tax concessions that, in the case of Brazil, should be allowing more people to have access to basic sanitation, rather than lining investors' pockets from the proceeds that are partly derived from public subsidies to this industry.

I think there are serious moral questions there on the tax front and also on how profits are extracted in a private equity model that is all about short-term gains and leaves aside the question of societal impacts.

[Translation]

**The Chair:** Mr. Thériault, as Mr. Ward just said, we have the links to the documents he's talking about. I have spoken with the clerk, and the documents will be sent to committee members once they've been translated.

[English]

Mr. Cooper, you are next, from the Conservative Party.

You have five minutes, sir. Go ahead, please.

**Michael Cooper (St. Albert—Sturgeon River, CPC):** Mr. Ward, Brookfield owns substantial investments in Canada and is the largest owner of commercial properties in major cities across Canada. Is that correct?

**Jason Ward:** That's correct, yes.

**Michael Cooper:** Okay.

Would it be fair to say that Brookfield has reaped very large profits from its investments in Canada?

**Jason Ward:** That would be correct, although, just in terms of the—

**Michael Cooper:** Okay.

While Brookfield has reaped large profits in Canada, it has paid relatively little in the way of Canadian taxes. Is that correct?

**Jason Ward:** Correct.

**Michael Cooper:** Help me understand how Brookfield avoids paying taxes in Canada.

As I understand it, Brookfield sets up a complex web of foreign subsidiaries in which investment funds ultimately end up in Bermuda, the Cayman Islands and other tax havens. Is that correct?

**Jason Ward:** Correct.

**Michael Cooper:** Okay.

That's precisely what Mark Carney did when he was the chair of Brookfield. When he set up the \$15-billion global transition fund, he registered it in Bermuda. He registered the second \$10-billion global transition fund in Bermuda, and there was the \$5-billion catalytic transition fund—

**Leslie Church (Toronto—St. Paul's, Lib.):** I have a point of order.

**Michael Cooper:** —which he registered in the Cayman Islands.

Do I have that right?

**The Chair:** Hang on, Mr. Cooper.

Ms. Church has a point of order.

Go ahead.

**Leslie Church:** Mr. Chair, I'm just wondering if we can ask you as the chair to please illuminate how this line of questioning is relevant to the study of this committee, which pertains to a review of the Conflict of Interest Act and not to either the tax dealings of any particular individual or tax law, frankly, generally.

• (1700)

**The Chair:** I've been chairing this committee for almost three years now. I generally give a lot of latitude, as we do in the House, for members of the committee to use their time. I do expect Mr. Cooper, as a seasoned member of this committee, will come back and bring this back to where it needs to go. I would give as much latitude to you, Ms. Church, as I'm giving to Mr. Cooper right now.

On the same point of order, I have Mr. Barrett.

I've stopped the time, by the way.

Go ahead, Mr. Barrett. Don't engage in debate on this.

**Michael Barrett:** It was about whether this pertains to the motion. I'm not sure, Chair, if perhaps you could read the motion or have Ms. Church read the motion back into the record.

“Tax havens” is specifically spelled out. “Carried interest payments” is very relevant to the application of the Conflict of Interest Act.

It's very clear to see where the line of questioning is leading, but it also speaks directly to the motion.

I appreciate your ruling with respect to latitude, but I don't think, respectfully, that any latitude is required. Mr. Cooper is engaged in a line of questioning that goes to the heart of the matter that we're studying, and that's why we have this expert here.

**The Chair:** I appreciate that intervention, Mr. Barrett.

I'm not going to reread the motion. I think all of the members are clear on where this is going. We are studying the Conflict of Interest Act as it relates to designated public office holders. Perhaps the recommendations of the committee in the report will come from some of the responses that Mr. Ward gives to Mr. Cooper's questions.

Mr. Cooper, you have three minutes and 49 seconds to continue your questioning. Go ahead.

**Michael Cooper:** To the witness, did I get that right with respect to Mark Carney setting up three major multi-billion dollar clean energy funds from Brookfield in tax havens, including Bermuda and the Cayman Islands?

**Jason Ward:** I can't speak to the specifics of those particular funds, but it would seem par for the course.

**Michael Cooper:** Okay.

Thank you very much.

On page 12 of your report, there is reference to Brookfield's tax gap over the last five years between 2017 and 2021.

Just so that I'm clear on what a tax gap means, it is measuring "the difference between taxes [actually] paid and what would have been paid if the statutory [Canadian tax rate had been] applied to profits" reaped. Do I have that right?

**Jason Ward:** That is correct, sir.

**Michael Cooper:** Okay.

According to your analysis, or the analysis cited in your report, Brookfield's tax gap in just five years between 2017 to 2021 was over \$6.5 billion. Is that right?

**Jason Ward:** That's correct, and that was based on research done by the Canadians for Tax Fairness and by some analysis from the Toronto Star as well.

**Michael Cooper:** It would be fair to say that the extent of Brookfield's tax avoidance, taxes that it should have otherwise paid in Canada in just five years, was over \$6.5 billion.

**Jason Ward:** The tax gap is looking at the statutory rate and there are some legitimate reasons why companies pay below that, but that's an indication of a major underpayment of taxes that, in the spirit of the law, should have been paid in Canada to finance public services in Canada.

**Michael Cooper:** Yes, I'd say \$6.5 billion is a lot of money. Would it be fair to say that Brookfield is Canada's largest tax dodger, among corporations?

**Jason Ward:** It has been labelled as such. If it's not the largest, it's clearly in the very top tier.

**Michael Cooper:** Your report cites 123 of Canada's "largest corporations" and "found that 'largest tax gap for 2017 to 2021'" was none other than "Brookfield". Is that right?

**Jason Ward:** That's correct.

**Michael Cooper:** Thank you, Mr. Chair.

**The Chair:** You still have a minute, Mr. Cooper.

**Michael Cooper:** Okay, I will ask the witness if he can elaborate on why it is, in his submission, that a blind trust is not an appropriate mechanism.

**The Chair:** You have 45 seconds, sir.

**Jason Ward:** It's because there's still the ability to profit from something in a blind trust. Even if you don't know the details of what's going on, you're benefiting from the actions that might be taken by somebody else on your behalf.

• (1705)

**The Chair:** Okay, thank you Mr. Cooper and Mr. Ward.

Next, we're going to go to Ms. Church from the Liberal Party, for five minutes.

Go ahead, Ms. Church.

**Leslie Church:** Thank you, Mr. Chair.

Mr. Ward, you started off your remarks by saying you're not an expert on Canada's Conflict of Interest Act. Is that correct?

**Jason Ward:** That is correct.

**Leslie Church:** Do you know who is covered by Canada's Conflict of Interest Act?

**Jason Ward:** I'm assuming that it relates to public officials, but I have not read the act. I am an expert on tax havens and using various schemes to avoid tax.

**Leslie Church:** You would agree, then, that it doesn't cover corporations. That is not the intent of the act. The intent of the act is to cover public office holders.

**Jason Ward:** I do not have the knowledge to respond to that adequately.

**Leslie Church:** Let's talk about blind trusts, then, if you're not familiar with the act itself.

Are you aware that investments that are entered into a blind trust are fully disclosed before they're put into a blind trust by a public office holder?

**Jason Ward:** Am I aware that the investments are disclosed before entering into a blind trust?

**Leslie Church:** Correct.

**Jason Ward:** Yes.

**Leslie Church:** Just for the sake of transparency, those assets then are known. The public office holder then puts them into a blind trust so that from that point forward they no longer have control over those assets. Is that correct?

**Jason Ward:** Right.

**Leslie Church:** That's right, so a public office holder then would have no awareness over the performance or even the composition of the assets that were in a blind trust, once that trust is established. Is that correct?

**Jason Ward:** Yes, but they would benefit from actions taken by others on their behalf in profits that might be derived into that in the blind trust.

**Leslie Church:** Now, how would they know that if they didn't know what the composition of the blind trust was?

**Jason Ward:** I think there's an example here that is very relevant south of Canada with the situation of the Trump administration profiting from deals that are being constructed by his children. That's not a blind trust situation and a straight—

**Leslie Church:** You understand the actual responsibilities of the trustee of a blind trust, which are the following: they have the fiduciary authority over the trust and the assets in that trust, to make changes to it, to sell those assets; and that a person who establishes a trust actually is prevented, under Canadian conflict of interest legislation, from providing direction to the trustee. Therefore, the public office holder who establishes the trust actually does not have control, has not provided any guidance to the trustee and has no awareness as to the composition of that trust following its establishment. You're aware of that, in the Canadian context?

**Jason Ward:** I am aware of that in the Canadian context. However, if you look at the case of big four accounting firms, which have also created legal situations in which information is not supposed to transfer from one part of the business to another, it has, and so I do think—

**Leslie Church:** Mr. Ward, what relevance does that have to the Canadian Conflict of Interest Act, which covers public office holders in the Canadian Parliament?

**Jason Ward:** It's a parallel situation in which rules that exist are abused because there's information transferred between a trustee—

**Leslie Church:** Is there an ethics commissioner who is governing private sector blind trusts, or whatever situation it is you're talking about in big accounting firms? Is there a publicly funded/determined ethics commissioner in office responsible for oversight in those cases?

**Jason Ward:** In some jurisdictions, yes.

**Leslie Church:** Is there one in Canada?

**Jason Ward:** I'm not familiar with Canadian law.

**Leslie Church:** No, there is not. There is no public ethics commissioner that oversees us. That is a role of Parliament.

When a public officer has a blind trust, is that public office holder shielded from tax for any gains or losses that may be incurred by the assets in that trust?

**Jason Ward:** Well, it depends how the investments in the blind trust are structured, doesn't it?

**Leslie Church:** Well, I think the answer there is no, that tax law actually applies to the assets that are controlled by a blind trust. It is the fiduciary, the trustee, in this case, that is actually responsible for the tax management of those assets. Is that not correct?

**Jason Ward:** There are huge numbers of loopholes in the tax law, which we've just been discussing, that allow individuals and corporations to significantly reduce their tax obligations under legal provisions in the law, which are clearly, in my view, immoral.

**Leslie Church:** Mr. Ward, I'm sure that you can help me distinguish between general tax law and international tax law. What I'm asking you is this. For an individual who has assets in a blind trust, are those assets subject to tax law, yes or no?

• (1710)

**Jason Ward:** Of course they're subject to tax law—

**Leslie Church:** Of course they are subject to tax law.

**Jason Ward:** —but is the tax law an effective mechanism in order for them to pay the appropriate amount of tax?

**Leslie Church:** Mr. Ward, I don't want to seem too disagreeable with you, but I'm trying to draw a distinction. Are the concerns of an individual public office holder—a parliamentarian who puts their assets in a blind trust—

**The Chair:** I'm sorry, Ms. Church, but I'm going to have to get you to wrap up. Make it a quick question, please.

**Leslie Church:** —for the purposes of being able to represent public office—different from the concerns of an individual, like you, who may have concerns about tax law generally? As parliamentarians, we can all accept that it is worthy of debate but it is a completely separate situation from what we're talking about here.

**The Chair:** We're 40 seconds over time.

Mr. Ward, I'm going to give you 10 seconds to respond, please.

**Jason Ward:** I think there's a moral obligation to show leadership in avoiding conflicts of interest or potential conflicts of interest and being clear.

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

Thank you, Ms. Church.

We were a minute over on that one.

[*Translation*]

Mr. Thériault, you have the floor for five minutes.

**Luc Thériault:** Thank you, Mr. Chair.

The Conflict of Interest Act needs to be reviewed.

I completely disagree with Mrs. Church's analysis. I can see why that would irritate her. The leader of her party is alleged to have engaged in tax avoidance, a strategy that Brookfield is known to employ. Indirectly, we are asking ourselves the following question: Does the Conflict of Interest Act currently provide a robust enough framework for the public's trust in the institution? That's the first objective.

According to the Conflict of Interest and Ethics Commissioner, the review of the act must not be too heavy-handed, because we need people from the private sector to come serve as public office holders. We need their skills.

I think the person occupying the position of prime minister must be held to the highest possible standards of rectitude and transparency. Do you agree?

[English]

**Jason Ward:** I firmly agree with that statement, that there's a moral obligation to set a very high standard.

[Translation]

**Luc Thériault:** However, the person currently in the position was the head of a company that is not at all transparent.

Do you agree?

[English]

**Jason Ward:** I agree with that statement.

[Translation]

**Luc Thériault:** Okay. We suddenly find ourselves having to trust an individual who ran a company that is not at all transparent and that engages in aggressive tax avoidance.

When he set out to become prime minister, he put his assets in a blind trust. Should that reassure us? Should we believe that the act as it stands is sufficient for people to regain confidence in democratic institutions? Given your experience in your field of expertise, do you think that should be good enough, as Mrs. Church suggests?

[English]

**Jason Ward:** I think that there's a serious credibility problem. I've heard comments from Prime Minister Carney in response to allegations of tax avoidance that really have not gotten to the core of the moral issues involved, in that there is an obligation to contribute to funding like ordinary Canadians in order to have the public services that everybody wants and that, in fact, businesses need in order to thrive in Canada. The public funding of infrastructure is absolutely essential for businesses, big and small, across Canada. I think it's a problem when the Prime Minister has led a company that is seriously engaged in aggressive tax avoidance in Canada and on its investments around the world.

[Translation]

**Luc Thériault:** I want to pick up on my earlier question, because this is something that has been bothering me from the start. We're not talking about a minister. It's important to understand that, while he may recuse himself, he's not just a minister or a private member; he's the Prime Minister, the one who sets the country's economic direction.

For example, Bill C-5 which was passed on closure, states that Canada and the Canadian economy must be rebuilt. Coincidentally, that rebuilding is to occur in sectors in which Brookfield excels. Doesn't that appear to be a conflict of interest? Should we be concerned and put as many guardrails as possible in place to prevent the scenario I've described from playing out or to prevent people from believing it is playing out?

• (1715)

[English]

**Jason Ward:** Absolutely.

I think that the example that I began to speak about of Brookfield and Caisse de dépôt et placement du Québec, CDPQ, investing in a private hospital company in Australia is a lesson for Canadians to be careful in terms of private investment in infrastructure and pub-

lic services because it often leads to a situation where there's profit extraction that harms tax payments that should be made. Also, generally, it is not contributing to a better service, a better society and the public services that people need.

I'm all in favour of robust and strong investments by funds in Canada to improve infrastructure and to improve services, but I think that has to be done with care and with a great amount of transparency, accountability and public oversight to ensure that benefits are widely received and are not lining the pockets of particular investors, Brookfield included.

**The Chair:** Okay.

[Translation]

Thank you. We're over the five minutes.

Mr. Hardy, you have the floor for five minutes.

**Gabriel Hardy (Montmorency—Charlevoix, CPC):** Thank you, Mr. Chair.

Thank you for being with us today, Mr. Ward. I'm a new member of Parliament. I was elected very recently. Since my arrival, I've noticed that our laws are apparently meant to be used by the people in power, who too often interpret them in ways that give them all the rights.

Do you agree with that?

[English]

**Jason Ward:** I believe that a lot of the legislation has been written by corporate interests and is abused by corporate interests for their own personal, private gain.

[Translation]

**Gabriel Hardy:** Let's run with that. I think the general public is starting to lose trust in our institutions. This kind of behaviour only accelerates people's declining trust in our institutions. Politicians and leaders very often say that they have the right, that what they're doing is legal and that we shouldn't bother them with all this.

Do you agree with that?

[English]

**Jason Ward:** I completely agree.

I think there's an undermining of the faith of public institutions when wealthy individuals and large corporations play by their own set of rules that they, in fact, wrote, whereas ordinary citizens are held to a very different standard and don't have the "legal" rights to hire an accounting firm to set up a Swiss bank account and do other things that are available to wealthy individuals and the largest multinationals in the world.

[Translation]

**Gabriel Hardy:** Let's talk more about Brookfield. According to your document, Brookfield is one of the largest Canadian companies that has maintained a tax rate of less than 5% for 15 years. That's billions of dollars in lost revenue for Canada.

Given that this has been allowed to happen, do you think Canada's current legal structure is too permissive?

[English]

**Jason Ward:** I do think that the Canadian system needs to be tightened and that companies like Brookfield shouldn't be able to get away with low tax payments. Whether it's legal or not, having such low tax payments in Canada for such a sustained period of time should not be available.

That's a clear indication that there is a problem in Canada's tax system as well as in the global tax system that needs to be addressed and fixed. I think transparency is the first step. Transparency can then drive both public opinion and political reform.

• (1720)

[Translation]

**Gabriel Hardy:** You'll see what I'm getting at.

The person who ran one of Canada's largest companies, who did everything he could to avoid paying taxes that would have benefited Canadians, became the Prime Minister of this country.

Do you believe that person should make the most of his position at this time by doing everything in his power to ensure that companies, multinationals and large corporations making untold billions of dollars give money back to the public? Do you think the current Prime Minister of Canada should do that? Do you think he will continue to stall the process?

[English]

**Jason Ward:** I think there's a golden opportunity for Prime Minister Mark Carney to change colours and really show that he can take leadership and that he can move legislation to increase transparency for multinational corporations and make the largest, wealthiest companies in the world pay their fair share of tax in Canada and around the world. There is an ability to change ways and to show leadership. I think that would go a long way to restoring faith in the Prime Minister and in the system in Canada.

[Translation]

**Gabriel Hardy:** Basically, as you say, Canada could take on a leadership role, and a person who does indeed have a lot of knowledge about economics and privatization, among other things, could send a strong signal to countries around the world that companies that make money from a country's citizens should participate in that country's economy. Do you believe that is his role as Prime Minister?

[English]

**Jason Ward:** Absolutely. I'll add to that. I think that Canada's backing down on the digital services tax in the face of threats from the Trump administration was a grave mistake. You cannot negotiate with a bully. I would strongly encourage Canada and other countries to move forward with the digital services tax in the absence of any possibility of moving forward at the OECD in terms of the reforms we're moving there.

It was a grave mistake for the G7 meeting in Canada to allow U.S. companies to avoid the global minimum tax as well. This is undermining the progress that has been made through multilateral negotiations over many years. Prime Minister Carney was the host of the G7 meeting that permitted U.S. multinationals, the most ag-

gressive tax-dodging companies in the world, some of the largest companies, to continue to be outside a global minimum tax system.

There is a huge opportunity to show leadership. Canada can play a leading role in driving both domestic and international reforms to create a fair system where we have adequate funding for the public services and infrastructure everybody wants and needs.

[Translation]

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

[English]

We're going to go to Mr. Saini from the Liberal Party. He's going to be sharing his time with Mr. Sari.

Mr. Saini, you have five minutes. Go ahead, sir.

**Gurbux Saini (Fleetwood—Port Kells, Lib.):** Thank you.

Mr. Ward, I'm disappointed in the way you have been coming around.... You have been invited to deal with conflict of interest and the only subject you seem to pick is Prime Minister Carney and Brookfield. That was not your mandate and you had no duty to tell what the Prime Minister of Canada should be doing. He is the Prime Minister chosen by the people of Canada just recently and people had confidence in him to be elected to that power.

**Jason Ward:** I was invited to testify as an expert on the subject of tax havens. As I said in my opening remarks, I'm not an expert in Canada's conflict of interest law. I'm hoping that my knowledge of tax havens and tax avoidance is of benefit to the deliberations of the committee.

**Gurbux Saini:** Mr. Ward, if you don't know what the conflicts of interest are then you shouldn't be interfering in the....

This is the legislation that was passed—

**The Chair:** Mr. Saini, I'm going to have to—

• (1725)

**Gurbux Saini:** —not by a Liberal government, but by the Parliament of Canada.

**The Chair:** Mr. Saini, I've stopped your time, sir.

I'm going to come to Mr. Ward's defence on this. He was invited on behalf of the committee. His name was submitted because, as he said, he is an expert in tax havens. His testimony, whether you agree with it or not, was asked for by the committee.

I don't think admonishing a witness, because he was invited by the committee, is something that I'm going to stand for, sir.

If you have questions with respect to what we're studying, I would invite you to go ahead, but admonishing a witness who was duly invited by this committee is not proper protocol.

**Gurbux Saini:** At the same time, Mr. Chair, for a witness to go after the Prime Minister, of whom he has absolutely no knowledge, is not acceptable and I will not accept that.

**The Chair:** That's fine. I'm going to ask you to continue along the line of questioning or you could give your time to Mr. Sari.

Mr. Sari, you have three minutes and 45 seconds. I did stop the clock.

Go ahead, sir.

[*Translation*]

**Abdelhaq Sari (Bourassa, Lib.):** Thank you very much, Mr. Chair.

Mr. Ward, thank you very much for being with us today. You've shared your expertise on tax avoidance, and we thank you for that.

I don't really want to challenge the points you made, because you seem to be an expert, and I'm grateful for the information you provided. However, for members of the public who are paying attention to our work, I would like to unpack a very important point that was raised in a previous question, and I would like you to clarify something.

When public servants place their assets in a blind trust, they can make a profit, since they have a certain amount of power and make some pretty important decisions. However, would you agree with me that they can also incur losses?

[*English*]

**Jason Ward:** Absolutely. In a blind trust there could be profits and/or losses made.

[*Translation*]

**Abdelhaq Sari:** I really like the term you used: a blind trust. With a blind trust in place, how could anyone argue that there is a conflict of interest? I'm not talking about the appearance of a conflict of interest here.

As you've said several times, you're not an expert on conflict of interest.

[*English*]

**Jason Ward:** To use Brookfield as an example, if there are shares in a blind trust, policies that benefit Brookfield, that encourage Brookfield, that reduce its tax liabilities and/or increase its opportunities to make profits.... There are still going to be benefits to that.

[*Translation*]

**Abdelhaq Sari:** Thank you very much, sir. What you are saying here is really very interesting, because you're saying that it's hypothetical. Again, we're not talking about a conflict of interest; we're talking about the appearance of a conflict of interest. It's very important to emphasize that. Members of the public who are paying attention to our work really need to understand the vocabulary we're using, because you're putting forward hypotheticals.

I'm going to ask this question one more time, because you really look like a very important person. Would you please explain to me how you can establish a direct correlation between the fact that there is tax evasion and a conflict of interest? I don't really understand the connection. The purpose of this committee is to ensure transparency and public trust, as I have said repeatedly. We must

not undermine that trust, and I would also note that the Prime Minister we are talking about here was chosen by the people.

Having said that, I always think back to something my father said. He said that wise men talk about ideas, not people. If we're talking about the idea itself, can you give us clear advice? I'm not talking about the appearance of a conflict of interest. I'm talking about tax avoidance in relation to the conflict of interest issue. Is there a correlation between the two? That's what I would like you to comment on. You are, after all, an expert in this field.

[*English*]

**Jason Ward:** I think that aggressive tax avoidance undermines credibility in public institutions, and there is a correlation there. If a company or an individual can continually avoid its obligations to contribute back to the societies where profits have been generated, it does gravely undermine faith in public institutions. People making a living from labour—

[*Translation*]

**Abdelhaq Sari:** I would like us to be more proactive, so I'm asking for your advice. What legal aspects do we need to work on?

I didn't talk about people; I talked about ideas. Do you have anything to suggest? You started off saying that you don't know the Canadian system, but there are a lot of things you do know. Based on that knowledge, what do we need to change from a legal standpoint?

• (1730)

[*English*]

**The Chair:** I'm going to need a very quick response, Mr. Ward, if you don't mind.

**Jason Ward:** Absolutely. I think the issue of a blind trust needs a serious review. I'll leave it at that.

**The Chair:** Thank you, Mr. Ward. I want to thank you for your testimony in front of the committee today. I appreciate you taking the time from Australia to share your experience and expertise with the committee.

**An hon. member:** What time is it in Australia now?

**Jason Ward:** We're in the future. It's 8:30 a.m. on Thursday.

**The Chair:** It's better than being 2:30 in the morning, Mr. Ward.

I want to thank you for your time. I appreciate you appearing before the committee today.

I want to make a comment, though. There was a work plan circulated among all members of the committee, and on that work plan there were the names of witnesses who were here. If there was any objection to witnesses coming before this committee, there was a time and a place to do that. There were no objections.

I appreciate, again, Mr. Ward, you being here today.

There's no other business. The meeting is adjourned. Have a great weekend, everyone.

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