



HOUSE OF COMMONS  
CHAMBRE DES COMMUNES  
CANADA

45th PARLIAMENT, 1st SESSION

---

# Standing Committee on Access to Information, Privacy and Ethics

EVIDENCE

**NUMBER 012**

Wednesday, October 29, 2025

---

Chair: John Brassard





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

Wednesday, October 29, 2025

• (1635)

[English]

**The Chair (John Brassard (Barrie South—Innisfil, CPC)):** Good afternoon, everyone. I call the meeting to order.

[Translation]

Welcome to meeting number 12 of the House of Commons Standing Committee on Access to Information, Privacy and Ethics.

[English]

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

[Translation]

I'd like to welcome our first panel of witnesses.

[English]

As an individual, we have Allison Christians. She's a full professor and the H. Heward Stikeman chair in tax law at McGill University. We also have, from the Tax Justice Network, Andres Knobel. He's the lead researcher for beneficial ownership.

I'm going to start with you, Professor Christians. Welcome to the committee. You have up to five minutes for your opening statement.

**Allison Christians (Full Professor, H. Heward Stikeman Chair in Tax Law, McGill University, As an Individual):** Good afternoon, Chair and members of the committee. I appreciate the opportunity to appear before you today.

The disclosure language in the Conflict of Interest Act is potentially outdated. The Income Tax Act uses better information-gathering and -sharing tools, and you can consider using those tools if you are worried that not enough information is being reported under the Conflict of Interest Act.

My own area of expertise is domestic and international income tax, not ethics or the administration of conflict of interest regimes.

As you know, Parliament uses the Income Tax Act to regulate tax compliance, while it uses the Conflict of Interest Act, among other statutes, to regulate the conduct of public office holders. These regimes serve different purposes, though they may intersect when questions arise about perceptions of conflict connected to financial information, or lack thereof.

Both the Conflict of Interest Act and the Income Tax Act have information-reporting requirements, while the Conflict of Interest

Act also requires some public declarations, even though the Income Tax Act does not. Parliament has many decisions about what has to be reported to government bodies and what has to be made transparent to the public, and the two regimes do these things for different reasons.

The Income Tax Act, in particular, reflects decades of legislative drafting and redrafting, as well as agreements made with other countries around gathering and sharing information. All of these rules and agreements demonstrate a keen awareness that obtaining relevant information is the key to effective and fair administration of the law, but we need to be clear about the language used in this context.

Taxpayers can take different actions in their lives, and Parliament legislates the tax consequences of those actions. That's what the income tax law is. In this context, two terms are often used interchangeably in public discourse, but they are, in fact, distinct, and I think this distinction should inform this committee's current inquiry. I am talking about tax avoidance and tax evasion. It is important not to conflate evasion and avoidance. Tax avoidance is not tax evasion, and tax evasion is not tax avoidance.

Tax evasion involves deliberately failing to comply with tax laws, hiding income, falsifying or destroying records, or otherwise wilfully evading or attempting to evade compliance with the act. That's tax evasion, not tax avoidance. The Income Tax Act contains sophisticated reporting rules to prevent tax evasion and has major penalties to deter and punish those who break the law.

I note that, in French, the word *évitement* is often used when talking about tax, but this word can mean both avoidance and evasion, so the word *fraude* should be used instead when referring to evasion in French, because we are talking about illegal actions. It is clear that lack of information begets, and is a major component of, tax evasion, not tax avoidance.

Tax avoidance is not the same thing. Failure to disclose information is not a key component of tax avoidance. Someone might choose one action over another to avoid a tax or to get a tax advantage that Parliament has legislated, but everyone has the information they need, and nothing is being fraudulently withheld to hide from the tax authority. A taxpayer and the Minister of National Revenue might disagree on the tax consequences of an action, but that does not make it tax evasion.

Ultimately, it is up to Canada's courts to determine tax outcomes. Parliament has adopted some rules to prevent tax avoidance in some cases, but we all know that Parliament has also adopted other rules to intentionally provide tax avoidance opportunities, such as to boost economic investment. Canada's courts have consistently upheld the taxpayers' rights to plan their affairs, including to reduce their taxes. Avoiding taxes is legal, until Parliament or a court says it is not.

That brings me to a third category that isn't as well understood in the public discourse, namely abusive tax avoidance or tax abuse. Parliament has also identified this category and has addressed it over many years in the Income Tax Act with a general anti-avoidance rule that defines abuse and that provides consequences when taxpayers go beyond avoidance and abuse the law. None of tax evasion, tax avoidance nor tax abuse necessarily violates the Conflict of Interest Act, though any of these may raise questions about a public office holder's conduct, depending on the circumstances.

To the extent that Parliament views the Conflict of Interest Act as insufficiently meeting its objectives because not enough information is being reported, it could consider using standards that are already in place in the Income Tax Act and in various tax agreements with other countries. For example, Parliament could expand what public office holders must disclose by revisiting the rules in the Conflict of Interest Act that refer to owning assets, without referring to indirect holdings. The Income Tax Act addresses relationships beyond relatives, friends and family by talking about affiliation and control, which gets at indirect ownership where needed.

I understand that, in connection with the 2012 review of the Conflict of Interest Act, and again in 2018, indirect ownership has been raised as an issue, but Parliament has not yet adopted a revision to that effect. There may be guidance on these matters, but statutory text might be needed to ensure consistency across different commissioners over time.

● (1640)

These are policy choices for Parliament to make. Public office holders make disclosures of information in light of what both the Income Tax Act and the Conflict of Interest Act demand. It is Parliament's role to determine what must be reported and what kind of public transparency is appropriate in our democratic system. If not enough information is being reported, Parliament can easily change the statutory rules to require more.

I would be pleased to answer any technical questions the committee may have about how tax rules operate, including how international tax information sharing works. While I can provide this technical expertise, I cannot opine on matters of morality or what policy choices Parliament should make regarding conflict of interest rules.

Thank you.

**The Chair:** Thank you so much, Ms. Christians.

Mr. Knobel, you have up to five minutes to address the committee. Go ahead, please, sir.

**Andres Knobel (Lead Researcher, Beneficial Ownership, Tax Justice Network):** Thank you, Mr. Chair and members of the committee. I appreciate the opportunity to contribute to this very important discussion.

My name is Andres Knobel, and I am the lead beneficial ownership researcher at the Tax Justice Network, a civil society organization that promotes financial transparency and tax justice around the world. My research focuses on beneficial ownership, offshore trusts and the identification of secrecy jurisdictions, or tax havens.

My remarks will focus on two issues mentioned in the invitation to participate today: one, regulating public office holders' ownership of assets in tax havens, and two, the use of blind trusts as a compliance measure.

Let me begin with the first point. I fully support the goal of enhancing transparency. However, the proposal to regulate the ownership of assets in tax havens could be strengthened.

In my view, disclosure should apply to all assets regardless of where they are held, rather than only to those located in jurisdictions labelled as tax havens. The classification of a tax haven can often be political, and many major financial centres with limited transparency are not always identified as such.

If a specific list of jurisdictions must ultimately be established, I would recommend that it be based on objective and verifiable transparency criteria, such as whether the jurisdiction provides public online information on the legal owners and beneficial owners of companies, trusts, real estate and other assets, or if it exchanges financial account and crypto asset information with Canada, and other transparency measures.

The Tax Justice Network's financial secrecy index may be a helpful resource in this respect, as it ranks jurisdictions according to measurable indicators of financial secrecy.

Second, I would recommend that ownership be defined to include both legal and beneficial ownership. This would ensure that disclosures capture not only assets held directly in an official's name but also those that are indirectly owned, controlled or enjoyed through companies or family members. This broader definition would help prevent the concealment of assets or conflicts of interest through nominees or complex ownership structures.

Finally, while I understand this may go beyond the immediate mandate of this committee, I would note the importance of ensuring that Canada's beneficial ownership framework extends across different vehicles and asset types, such as companies, trusts, real estate, cars, yachts and aircraft. This would allow authorities and the committee to cross-check declarations and verify information rather than relying solely on self-reporting by public officials.

I'm turning now to the second issue, which is blind trusts. While trusts can serve legitimate and useful purposes, my research has also identified many cases where they have been misused for tax evasion, money laundering or sanctions evasion. Trusts can pose higher transparency risks because of their complex control structures involving many different types of parties and because of strong asset protection features. For that reason, I would caution against viewing blind trusts as a sufficient safeguard against conflicts of interest.

The most effective safeguard, in my view, is full transparency. Regardless of whether a public official's assets are held directly or through a blind trust, the underlying assets and interests should be disclosed and accessible to the general public. Public access to this information enables journalists, civil society organizations and citizens to assess whether a decision or government contract could create a potential conflict of interest.

Transparency should also be practical and usable. Information should be made available as structured, searchable and open data, allowing effective monitoring and analysis.

Ideally, Canada could consider developing an automated alert system that cross-checks asset declarations with procurement or land ownership data so as to flag potential conflicts both to the committee and to the general public. Such tools would provide a far stronger safeguard than relying on blind trusts alone.

Thank you again for inviting me to appear before you today. I would be pleased to answer any questions you may have.

• (1645)

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

We're going to start with our first round of questions.

I'm going to Mr. Majumdar.

Sir, you have six minutes. Go ahead, please.

**Shuvaloy Majumdar (Calgary Heritage, CPC):** Thank you very much.

Welcome to the committee. It's nice to hear your presentations.

Professor Christians, I'll start with you.

In your paper, "Trust in the Tax System: The Problem of Lobbying", you write, "politically astute, well-resourced individuals and multinationals work diligently to influence the shape of the law".

Professor, can you explain, even on an abstract level, how lobbying by investment firms shapes tax laws to allow layers of subsidiaries in jurisdictions like Bermuda and the Cayman Islands to shield profits from Canadian taxation?

**Allison Christians:** I don't know what you mean by "shield profits". If you're talking about profit shifting, I can answer that question.

**Shuvaloy Majumdar:** Sure.

**Allison Christians:** The issue of profit shifting is something that is global in scope. All countries have this problem where, through the use of complex rule sets, a lot of judgment and a lot of discretion on the part of the taxpayer, which is given by Parliament, companies arrange their affairs to reduce their taxes. That is globally the case.

Canada is part of a global effort to create a minimum corporate tax to prevent, deter or get rid of the incentive for moving things to lower tax jurisdictions. This has been going on for decades. That is a problem which all countries face. We all want to attract capital, so we want to reduce our taxes on capital from outside, and we also want to raise taxes, which means we don't want to over compete when it comes to reducing taxes on capital.

What you find is that multinationals, but really anybody who has the capacity to hire lobbyists, will tell you the exact same thing. I'm sure you've heard it many times that, in order to get jobs and growth, you have to reduce taxes on them. Then the government, Parliament, over the years in Canada, as every other government in the world has done, has made legislative choices that reduce taxation in order to spur economic growth.

That's the issue of profit shifting, and it's not in any way limited. I'm not even sure which two jurisdictions you named or why you named them, because those aren't the problem. The problem is not jurisdiction—

**Shuvaloy Majumdar:** Right, I appreciate that. I think those are jurisdictions that impact how the Prime Minister's own disclosures work, so I was curious about the impact of that.

Your colleague Mr. Knobel just said that blind trust misuse is an issue in that it does not have sufficient safeguards. An antidote to that could be transparency and disclosures, perhaps even some sort of automated alert systems.

Do you think that, in the spirit of accomplishing the transparency you described in your paper and in your testimony today, the Canadian government today is pursuing that type of transparency and that disclosure around blind trusts?

**Allison Christians:** Are you speaking about the Conflict of Interest Act or the Income Tax Act?

**Shuvaloy Majumdar:** I'm speaking about the Conflict of Interest Act, which is the subject of this meeting.

**Allison Christians:** Unfortunately, I'm not an expert on the Conflict of Interest Act, so I won't be able to answer that question.

**Shuvaloy Majumdar:** Could you then try to look at it from the Income Tax Act provision for disclosures of foreign-held assets in tax havens?

**Allison Christians:** A tax haven is not a technical term, and it is just simply not a term. Every country could be accused of being a tax haven, including Canada itself. I don't recognize that term, and I can't use it for you.

What I can tell you is that the obligation to report information in the Income Tax Act is sophisticated and broad. There are few exceptions, and they are highly technical. You could read through those and see what the exceptions are.

• (1650)

**Shuvaloy Majumdar:** Thank you.

Mr. Knobel, in the short time I have left, maybe I'll turn to you because you did look at what tax haven policy could be by different parties in Canada, its definition and how different parties would act and react to the situations that Canadians are impacted by. The report noted that the Carney government was the only major party in the 2025 election that failed to address tax havens.

Why do you think that is, sir?

**Andres Knobel:** I would say that I do not know enough about Canadian politics to answer that. I would say that, in most countries, they tend to fail to properly address tax havens many times because of the political pressures of different countries and because they don't use objective criteria.

Many times there are national tax havens, even international tax havens, even by the EU. It's not very clear why they do that. That's why we offer the financial secrecy index and another one that focuses more on tax abuse or tax avoidance called the corporate tax haven index. This is where we try to explain why each country, including Canada, has provisions that could always be improved to become more transparent and to reduce tax minimization, avoidance or abuse provisions.

**Shuvaloy Majumdar:** Do you think it's ethical for a sitting Prime Minister to benefit from tax havens with assets that are held in blind trusts?

**Andres Knobel:** I would say two different things.

The main thing is that I personally would not really differentiate between if it's through a blind trust or through a trust or through another type of vehicle. I think any exploitation.... I would also say that although any public officer has, I feel, a larger responsibility because of their position, we would still expect, or I would personally, every citizen not to be undermining the rules that apply to everyone else. That usually happens with multinationals or high net worth individuals, maybe also with politicians who can, either through lawyers, accountants or big law firms, find ways to still pay less or be less subject to the rules that apply to everyone else. I completely agree that that should stop.

**The Chair:** Okay.

**Andres Knobel:** Of course, for a public officer, there is more responsibility, but really we should expect that for everyone.

**The Chair:** Thank you, sir.

Thank you, Mr. Majumdar.

[*Translation*]

Mr. Sari, you have six minutes.

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

I would like to thank both witnesses for their exceptional testimony based on facts and research. The research before us and your work help to explain the democratization of our service and make these elements more factual.

Ms. Christians, I will address you first, if I may. I'd like to ask you a question about the model used in Canada, where the beneficiary is known, but the composition and management of the assets are completely hidden. This is a model used in several democratic countries, as you mentioned earlier.

In your opinion, does it raise legitimate concerns about transparency, or is it generally recognized around the world as a sound standard?

[*English*]

**Allison Christians:** Perhaps you could clarify, because I'm not sure I fully understood the question. Are we talking about tax information exchange agreements?

[*Translation*]

**Abdelhaq Sari:** I'm talking about asset management in particular. Is it truly hidden or is there a way to know the beneficiaries of these assets?

[English]

**Allison Christians:** Again, I can't speak to the Conflict of Interest Act. I can only speak to the Income Tax Act, and what I will say is that information is reported, and if it is reported, it is not illegal. It is not hidden. There is nothing hidden.

[Translation]

**Abdelhaq Sari:** That's exactly what I wanted to know, so thank you for that information.

Furthermore, if a beneficiary isn't aware of the composition of the assets, can they influence decisions?

• (1655)

[English]

**Allison Christians:** If I understood the question correctly, you're asking me whether a beneficiary can manage assets in a trust if they don't know what the assets are. That is beyond my expertise. I can only tell you what the Income Tax Act rules require in terms of disclosure of such information.

[Translation]

**Abdelhaq Sari:** Very well, let's stay on the tax issue then. You've written extensively on the growing complexity of tax and financial systems.

Given the technical nature of these issues, is it beneficial for governments to be able to rely on people with solid expertise in the private or financial sector?

[English]

**Allison Christians:** Okay, that's fine. The interpreter had a little trouble with that question. I think I understood the gist of it, which is, is it okay that things are so complex in the Income Tax Act? What I will say is, is it okay that the economy is as complex as it is?

The Income Tax Act is not making up the complexity; it's responding to it, so Parliament has to stay on top of whatever the latest financial innovations are. My colleague mentioned cryptocurrencies, for example. That's a problem, so if you don't know how to manage that, you have to have a committee and talk about how to legislate, how to regulate, and you have to think about the purpose of that regulation.

In the Income Tax Act, the purpose of regulating is to raise taxes. Of course, we have complexity in the administration of a system that is trying to capture something which itself is complex. The more complex the instruments, the more complex the entities, the more complex the transactions, then the more complex the law.

I hope that answers your question, and I am sorry, if it does not.

[Translation]

**Abdelhaq Sari:** That was great, thank you.

As part of our study on conflicts of interest, we're trying to improve things a little. As other witnesses said two days ago, Canada's conflict of interest management system is among the best in the world, but it's not perfect. It must be improved on an ongoing and continuous basis.

So, do you have any advice for us on how to make reasonable improvements to our conflict of interest management system?

[English]

**Allison Christians:** Yes, I do think the advice brought up in 2013 and again in 2018 is probably right. That is, you need to look through ownership structures. I think my colleague also suggested that. You need to have some sort of indirect ownership. It's possible that there is some understanding of that, but I can see that becoming a more robust definition. Again, it's family, friends and relatives, but you have to understand who has the beneficial ownership of things. That's a complex thing to do when ownership itself is complicated. I would say that's a good place to put energy.

[Translation]

**The Chair:** You have 30 seconds.

**Abdelhaq Sari:** I always talk about the importance of attracting people with expertise. Personally, that's a goal I place a great deal of value on.

Do you think that changes in ethical standards could undermine the goal of attracting people with the right skills?

[English]

**Allison Christians:** I'm not at all qualified to answer that question.

I do understand—I've heard that question before—and will say that the OECD guidelines on conduct of public officials is pretty clear. You can never get rid of conflicts of interest. We all have personal conflicts of interest. We're human. You can only manage them. I do not think we can be perfect. I do not believe perfection is the goal. I believe holding public officials to account is the goal.

The Income Tax Act is holding people to account for their financial transactions. Where those overlap, there are lessons to be learned in the Income Tax Act.

[Translation]

**Abdelhaq Sari:** Thank you.

[English]

**The Chair:** Thank you, Ms. Christians.

[Translation]

Mr. Sari, I extended your time a bit because the witness didn't understand your first question.

Mr. Thériault, you have six minutes.

**Luc Thériault (Montcalm, BQ):** Mr. Chair, before my speaking time begins to be counted, I'd like to say something to the interpreters.

We're talking about a technical subject here. Tax evasion is illegal, and tax avoidance is legal. I'd like the interpretation to reflect that, otherwise the witnesses won't understand what I'm talking about.

First, I would like to welcome the witnesses and thank them for enlightening us in our difficult task. It is indeed a difficult task. The world is changing, and we are tasked with reviewing the Conflict of Interest Act.

It is important for me to say that one of the pillars of my political commitment is to restore ethics in politics rather than engage in petty partisan politics. I want to say this because when I refer to a specific case during my questions, it is not to personalize an issue, but to identify a specific case in order to see whether the act needs to be amended.

Ethics therefore involves analyzing what is in terms of what should be. That's why it is often said that ethics are more demanding than the law, and that just because something is legal does not mean it is moral. I think that ties in with your point of view.

When I asked the former clerk of the Privy Council whether he considered tax avoidance to be moral, he immediately asked me how my question was relevant to the Conflict of Interest Act. I replied that it was indeed relevant.

Mr. Knobel, Alain Deneault wrote that tax havens are legal because a caste of legislators, judges and parties have set up the system to their own advantage.

What do you think about that?

• (1700)

[English]

**Andres Knobel:** I would agree that many people benefit from tax havens, and I think that is quite unfair. If it's legal or illegal, that might be up to different countries. Some countries do make it illegal to have transactions or assets in tax havens, and others don't.

The idea that some individuals, some citizens and some companies—usually large companies and high net worth individuals, when compared to lower income individuals or small and medium companies—can escape many of the regulations that would apply to everyone else, just because they have operations, bank accounts or companies in tax havens or secrecy jurisdictions. I think that is quite unfair.

Of course, transparency is the first step, but I agree with you that countries could go much beyond that and start regulating what people can do or not in tax havens.

Again, the main issue is what you consider to be a tax haven. Many major financial centres, just because of the political pressure, would usually not be identified either on a national tax haven list or on international ones such as those maintained by the OECD, the FATF or the EU. That's why I think it's important to also use these objective criteria and then treat every country in the same way.

[Translation]

**Luc Thériault:** One of the objectives of the study we're doing is to try to strike a balance between restoring public confidence in political institutions and the concern of the Conflict of Interest and Ethics Commissioner that the rules not be so strict that people in the private sector don't want to go into politics.

I don't agree with that view. I think we simply need to define what we believe are the criteria that must be met. It will then be up

to the individual to decide whether or not to enter politics. When you go into politics—and I could talk about this all day long—there are sacrifices to be made. That doesn't mean that you have more skills or abilities because you come from the private sector. If you really want to work in the public interest, obviously, that may require putting your own interests second.

What do you think about all this?

[English]

**Andres Knobel:** Again, I am not an expert on this issue, but my personal opinion is that, for sure, you would expect.... Of course, politics should be open to everyone, but maybe coming.... I'm based in Argentina, which is a country where maybe trust and the rule of law apply less than in other countries like Canada. I would say that politicians have a huge role in that. They are, in a way, role models. When the citizens feel like their own politicians do not respect laws, do not pay taxes, steal or even escape the law all together, that in a way gives them some kind of entitlement to do the same.

Of course Parliament and politics should be open to everyone, but I do think we should have a high standard of what to expect of politicians' conduct because that would have huge implications on how everyone else will be trusting the system and also complying with the laws themselves.

For sure, I would expect people to be subject to high standards, not to exclude anyone. I don't think being from the private sector or not should be a criteria there. It's more about how they are behaving and how compliant they are with the laws that apply to everyone else.

• (1705)

[Translation]

**Luc Thériault:** I have 30 seconds left.

I wanted to ask you about what Ms. Christians mentioned earlier, namely the global minimum tax of 15%. This raised some questions in my mind about the current Prime Minister's conduct. I'll come back to this in a later question.

It seems to me that if we want to establish proper rules to restore people's confidence in politics, we will have to come up with different rules. The highest office in a state must be the highest example of transparency and integrity. I will come back to this later.

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

[English]

That concludes our first round.

We're going to our second round now. I'm going to have to stay on time here. We went a little longer on the first round on some of the questions.

Mr. Cooper, you have five minutes.

**Michael Cooper (St. Albert—Sturgeon River, CPC):** Thank you, Mr. Chair.

Mr. Knobel, I want to go through some of your testimony to make sure that I understand it correctly.

Is it accurate that blind trust misuse is a problem?

**Andres Knobel:** The question is whether blind trusts are a problem. Is that the question?

**Michael Cooper:** Is blind trust misuse a problem?

**Andres Knobel:** I would say any misuse of a company or trust is a problem. I would also personally think that blind trusts—

**Michael Cooper:** Thank you for that. Therefore, I understood your testimony to be that blind trusts are not a sufficient safeguard.

**Andres Knobel:** That's correct. Could I expand on why?

**Michael Cooper:** What I understood you to say was that the best safeguard is transparency. Did I get that right?

**Andres Knobel:** Yes.

**Michael Cooper:** Okay.

We have a Prime Minister, whose answer to everything is, “All of my assets are in a blind trust, so everything is okay.” Now, based on your testimony, that isn't sufficient, but there's an even bigger problem, because the Prime Minister set up three multi-billion dollar investment funds, which he registered in Bermuda and the Cayman Islands. The Prime Minister is entitled to something called “carried interest pay”. That's, essentially, future bonus pay based upon the performance of those funds.

The Prime Minister picked the companies. He knows what the holdings of these funds are. He's disclosed the three funds, but he has not disclosed what the holdings are in these funds. Therefore, the Prime Minister is not being transparent about potential conflicts of interest.

Would you concur that, even if the Prime Minister isn't technically, by law, under the Conflict of Interest Act, required to disclose the holdings of those funds that he set up, in the interest of transparency, he should?

**Andres Knobel:** I understand that people will usually abide by whatever laws they have to comply with. Again, of course, a prime minister or public official has a higher responsibility and is a higher role model. I would still expect any citizen, especially high-level individuals, to still disclose all of the assets that they have.

I do not think that a blind trust can create enough safeguards to ensure that no problems will be there. It's much better for, at least, authorities to know exactly what assets are held in a trust. However, in the case of a prime minister or another public officer, ideally, the full general public would know what's there, and then they can judge whether any conflict of interest is happening with a government contract or any other transaction, instead of simply having to rely blindly on what is happening.

• (1710)

**Michael Cooper:** Now, we have a Prime Minister, who has tens of millions of dollars tied up in offshore tax havens. Technically, under the law, he can do that. As you note, the Prime Minister really ought to be held to a higher standard, as a public office holder, as the highest public office holder in the land.

In your view, should the Conflict of Interest Act be amended to prevent public office holders from using tax havens? Does that, to you, seem like something that would make sense?

**Andres Knobel:** Again, as I said earlier, I feel like the biggest concern is what is defined in the country as a tax haven. If you're only covering, maybe, small islands, they can still be using major financial centres that might not be considered a tax haven by Canada but can create just as many risks as a small island. Again, I would expect that to be used for everyone. That's standard of course for a public officer, but for anyone there would be a disclosure. Some countries have chosen for full prohibition of going for a tax haven.

Another alternative would be to explain why exactly you need to go to a tax haven, why only a tax haven would offer you something. Is the reason just to reduce their taxes or escape other laws that would apply in Canada to anyone else, or is there a good reason that is not about reducing taxes or escaping any law? Maybe there is one. I can't imagine one, but maybe they have a reason.

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

Mr. Knobel, the interpreters are having trouble with your microphone. I'm wondering if you could bring it a little bit closer to your mouth and lift it up.

Can you give us a test before we begin? Maybe tell us what the weather is like where you are.

**Andres Knobel:** It's quite cold here, despite being spring already.

Is that better?

**The Chair:** They say no.

Perhaps you can unplug it, sir, and plug it back in. We've had success on that with some witnesses in the past.

**Andres Knobel:** Can you hear me now?

**The Chair:** It's up to the interpreters, but that sounds a lot better. Keep going, please, if you don't mind.

It also might help if you could talk a bit more slowly in some of your responses. It's easy to get worked up about taxes and offshore tax havens—Ms. Christians doesn't like that term, I know—but if you could talk a little bit more slowly, that might help.

[*Translation*]

Ms. Lapointe, you have the floor for five minutes.

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

I also want to thank you, dear witnesses, for being here today. Each of you has a different area of expertise, which is very interesting.

My question is for you both.

Is Canada doing enough to combat tax avoidance? Also, can you provide any information on pillar two of the global minimum tax?

Ms. Christians, could you answer my question first, please?

[*English*]

**Allison Christians:** Is Canada doing enough to prevent tax avoidance? I think you mean, is Parliament doing enough?

Is Parliament doing enough? That's a question of what's in the Income Tax Act. You have anti-avoidance rules and you have a general anti-avoidance rule. You have to remember that the courts get involved, because they're interpreting the tax law. The courts are involved in interpreting what the anti-tax abuse rule does in practice. It's a conversation between the legislation and the courts.

"Enough" is not the right characterization. It's just a question of whether those tools are in place. They are in place. Those decisions have to be made between the courts and Parliament. We can see a back and forth. Parliament has revised the general anti-avoidance rule many times after the courts' decisions.

Is Canada doing enough? The question is, are the laws perfect? No, they're never perfect. Tax laws are never perfect. Parliament every year is revisiting how to make the tax law better or more applicable to current circumstances.

You asked me about pillar two. Is Canada doing enough there? Canada is a member of the OECD. Canada has been a leading influence, if influence is the right word, or a leading voice in the discussions internationally as far as that global minimum corporate tax goes, but Canada does not control the global economy. The United States changed their position earlier this year, as you may know. The United States put enormous pressure on that global minimum tax. In fact, the United States may well have unravelled the global corporate minimum tax.

All Canada can do is control what Canada can control, which is to build its own internal systems. All the tools are there. They're in the Income Tax Act. By the way, they're in tax information-sharing agreements. Again, I would just point to not being sure about the language here, but we need to be clear that Canada has agreements with these jurisdictions for information sharing. That's not the same problem as profit shifting. Profit shifting is not an information problem, largely. It is not about hiding information. Profit shifting is about tax competition. That is a global phenomenon and one that is inescapable. That does not end, ever.

Is Canada doing enough? Canada is working in the context of a global situation that it does not control and cannot control. The best I can say is that this is a constant conversation between Parliament, the courts and the leaders of the country who sign those agreements and try to get those international negotiations to yield fruit.

• (1715)

[*Translation*]

**Linda Lapointe:** Thank you.

Before moving on to Mr. Knobel's answer, I have another question for you, Ms. Christians.

What difficulties do you foresee in attempting to legislate on the issues my colleague mentioned earlier regarding tax havens in the context of blind trusts?

[*English*]

**Allison Christians:** Again, speaking only about the Income Tax Act, I don't have in front of me a problem to be solved here. Things are disclosed, and the rules are to disclose. If people do not hide information fraudulently, then they're in compliance with the disclosure rules. If there's not enough information to be disclosed, then Parliament can change the rules to require more disclosure, of course—always, right?

I'm not sure how to answer that question other than to say that information flow is something that is very sophisticated in the Income Tax Act. It involves a web of agreements. We are furnishing information, millions of bytes of data, of information, to other countries, and they are furnishing us information. There is not a lot of secrecy left to be had. That's intentional and took many decades to develop. That required the co-operation of other jurisdictions and it required political consensus across nations, and it's in place. That's just where it's at with information gathering.

As far as the blind trust goes, that is just not an issue for me in the Income Tax Act. You're talking about conflicts of interest, I understand. That is just not an area of my expertise. I'm sorry. I can't give you an answer on that.

**The Chair:** Thank you.

[*Translation*]

**Linda Lapointe:** Maybe my colleague will get to Mr. Knobel.

Thank you.

**The Chair:** Maybe.

Mr. Thériault, you only have two and a half minutes today.

**Luc Thériault:** I'm feeling a bit constrained.

At the same time, it's a bit contradictory, because the expertise of our witnesses and the questions I have for them are more related to the Conflict of Interest Act.

There are certain problems we're trying to resolve.

The Conflict of Interest Act only considers personal interest in determining whether there is a conflict of interest. However, some people are saying that we should be mindful of decisions that are general in scope but could give rise to a conflict of interest. Let me give you an example.

We know that Canada loses between \$15 billion and \$30 billion a year because of tax havens, and that the use of tax havens is on the rise. Witnesses have described Brookfield as the champion of tax avoidance. Our Prime Minister used to run that company. Can we expect a Liberal government to embrace legislation on tax avoidance, given that our Prime Minister comes from the private sector and has interests in this company and in the way he has made it grow?

This is just one example of a conflict of interest in a decision that has broad implications. These are questions that are worth asking.

When, for example, the Prime Minister moved the company's headquarters to New York and, at the G7 summit, decided to exempt U.S. companies from paying the 15% minimum tax, doesn't that raise an issue that we should at least be discussing? Should we be concerned about this? Should we at least try to assess whether this is responsible? These are the kinds of questions we are asking ourselves.

Mr. Knobel, what do you think about what I'm describing? Should we indeed look into this issue, and are we right to be concerned?

• (1720)

[English]

**The Chair:** Mr. Knobel, I'm going to give you about 45 seconds to answer that, if you don't mind, sir.

**Andres Knobel:** Hopefully, this idea of more transparency and especially some kind of alert system—even to say that this law might affect the interests of a prime minister or any other public officer and alert citizens—I think that would be the best thing. They should know that there might be a potential conflict of interest and at least have public outrage articles or requirements to change things. I think transparency is the only way to achieve that and really hold governments to account and make sure they are really serving the country and not just their own interests.

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

[Translation]

Thank you, Mr. Thériault.

Mr. Hardy, you have five minutes.

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

My question is for Ms. Christians.

You referred many times to the blurred line between tax avoidance, legal tax evasion, and tax evasion, which was described as abusive earlier.

In your opinion, are large multinational companies that use complex processes to engage in tax avoidance, and even abusive tax avoidance, betraying the country in which they make their profits? Are they not paying their fair share of taxes?

I will conclude my question by asking you this: Is \$6.5 billion over five years abusive, in your opinion?

[English]

**Allison Christians:** I didn't catch the last part about the \$6.5 billion. I'm sorry. I didn't hear the point.

[Translation]

**Gabriel Hardy:** Is the non-payment of \$6.5 billion in taxes over five years abusive, in your opinion?

[English]

**Allison Christians:** I don't know what you're talking about, so I'm not able to answer that question, unfortunately.

I will say that Parliament defines avoidance and abuse very carefully in the Income Tax Act. The courts have to interpret those rules, and every taxpayer has to live with those rules. It's really Parliament's prerogative to say what the rules are, and it's Parliament's duty to tell the taxpayers what the rules are so that we can ask—

[Translation]

**Gabriel Hardy:** I'm going to stop you there, Ms. Christians. I'm asking for your opinion, not your opinion from a legal standpoint. We are here to conduct a study on ethics. We want to ensure that ethics have been respected. Rules are rules, we're in agreement on that.

What is your opinion? Is it right for companies that make billions of dollars in a country to avoid paying taxes there? In the specific case I'm talking about, Brookfield, the company our Prime Minister used to head, avoided paying \$6.5 billion in taxes over five years.

In your opinion, is that ethically acceptable? That's my question.

• (1725)

[English]

**Allison Christians:** The only way I can answer this is to say that every person in this room who has an RRSP is avoiding tax. Every person who has a registered education savings plan is avoiding tax. Those are things that Parliament has provided.

If you're asking a question about ethics, that is not an area that I'm able to testify on. What I can tell you is that the law expresses our shared expectations, and we have shared expectations that people will follow the law. If there's not tax evasion, then there's not tax evasion unless and until Parliament says that there is.

[Translation]

**Gabriel Hardy:** Thank you very much.

Essentially, you're saying that as long as the rules are followed, the ethics behind them don't matter.

I will now address Mr. Knobel.

Brookfield has been named Canada's number one tax evader for the past five years. That's \$6.5 billion, or \$6,500 million, that Canadian taxpayers have been deprived of.

In your opinion, is it legitimate for citizens to question our government's ability to defend tax fairness?

Do you think the public is right to ask the Prime Minister to show his entire portfolio so that they can understand the situation?

[English]

**Andres Knobel:** Is that question for me?

**The Chair:** I believe it is, sir, yes.

**Andres Knobel:** I would completely agree that, again, all public officials should be transparent, especially if there is a risk or at least a perception that they might not be applying the law the way everyone else who is not going to a tax haven is. I think it's also up to countries and up to Parliament to close loopholes and prevent anyone from undermining the laws that would apply to everyone else who is not able to hire lawyers and have offshore operations.

Again, the law should hopefully make it fair for everyone.

[Translation]

**Gabriel Hardy:** Thank you, Mr. Knobel.

If I understand your answer, which I think is very good, the Prime Minister, who is the first among ministers in Canada, that is, the country's highest-ranking official, should lead by example.

In this case, we're talking about someone who was at the head of a company that was a champion of tax evasion. If he doesn't change the laws or conduct himself in an extremely transparent manner, he is encouraging other companies to do the same. He is setting a bad example.

Is that right?

[English]

**Andres Knobel:** I understand that any public officer—not just a prime minister but, I think, any minister, any public official—has that responsibility, but I feel also that every other citizen.... The expectation is that no one within a country will be using offshore jurisdictions or tax havens to undermine and be able to escape the laws that do apply to everyone else, especially those who are less sophisticated or cannot hire lawyers or anyone.

Transparency, I think, is a very good starting point for citizens to know what is happening. Then, if there is a need, you can change the laws and prevent those unfair situations from happening. Even if they are legal, they might be unfair, so I think it's up to Parliament to change that.

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

[Translation]

Thank you, Mr. Hardy.

[English]

Mr. Saini, you have five minutes, sir.

**Gurbux Saini (Fleetwood—Port Kells, Lib.):** This question is for Professor Christians.

You have said that every country is a tax haven, including Canada, because we make legislation to attract investment from other countries. Especially in light of what is happening with the

United States, isn't it the duty of our government to make sure we have investment coming into our country?

**Allison Christians:** You're asking me a question about what the government's role is in the state, which goes beyond the Income Tax Act, of course. I will say that I do understand your question. I think that you're asking me if there are reasons that governments would have tax advantages.

Every country has reasons to have tax advantages. We can look around us and every government of Canada ever in the history of Canada has provided tax advantages to various industries that are important to Canada. Every other country has done the same thing.

I hope that's an answer to your question.

**Gurbux Saini:** Thank you.

Mr. Knobel, what kind of difficulty can you foresee in planning to legislate the suggestion my colleagues have made regarding the tax haven within the blind trust?

• (1730)

**Andres Knobel:** If I understand correctly, you're asking how to improve legislation about blind trust and tax havens.

I would say the first thing is to make sure of what you're classifying as a tax haven. I don't know if Canada has a national list. At least having one or classifying that—and hopefully that will be based on objective criteria—would be the first step.

The second one is that I would not trust a blind trust in itself to be of any safety. Even if a prime minister or any official is holding assets through a blind trust, a discretionary trust, a company, a foundation, any other vehicle or even under their own name, we need transparency so that citizens, Parliament or any authority that will hold them to account can see and even assess by themselves, instead of simply trusting or relying on someone else just because it's in this supposedly safer vehicle.

I feel that transparency is the best way to make sure on our own whether there is a conflict of interest or not.

**Gurbux Saini:** My colleagues on the other side keep bringing up the trust.

We just had an election six months ago. Canadians elected Prime Minister Carney to be the Prime Minister, knowing full well that he came from the private sector and knowing full well that he was head of the company whose name they keep bringing up.

Do you see anything wrong with Canadians putting their trust in a man they believe is the best person to lead the country?

**Andres Knobel:** I cannot say anything about Canadians or anything about the country.

I would say that any person, I understand, as long as they comply with the law and within the law, should be able to be in politics. The only expectation for every person is that they will be transparent, so that society and authorities can hold them to account and make sure that they are respecting the rules and also being fair.

**Gurbux Saini:** In your view, are blind trusts and screens an acceptable thing in the western democracies? When we talk about England, Germany or France, is this an acceptable practice that happens in all of those countries? Are Canadian laws any worse than any of them or are we the leaders in transparency and in blind trusts?

**Andres Knobel:** I do not know enough about every country. I would say that all countries need to improve. For sure, Canada does. Again, we have our index. Canada is not the most transparent one in that index. I can also share exactly what the loopholes are that we have found, to make sure Canada is better.

The fact that many western countries are using a blind trust I do not think is enough to make them safe or fair. Again, many multinationals are avoiding taxes. I don't think that's fair, even if many or all of them are doing that.

I would say that within common law countries, the use of trust is quite widespread, even for very unfair situations. That still puzzles me, but it is in a way allowed, even by courts.

I think it's very welcoming for a parliament to be discussing this and hopefully Canada's Parliament will discuss and maybe question whether the blind trust is the best way. The blind trust is this understanding that because the official would not know what's happening and someone else, maybe an independent, would be managing those assets, then no conflict of interest will take place.

I think that requires a lot of blind reliance from the public. It's much better to simply give full transparency for everyone to know what is exactly in that blind trust and then let them judge and let them question things, instead of simply having to blindly rely on others. Even if it's a wide practice, I think it could be improved.

**The Chair:** That concludes our testimony for today.

Mr. Knobel and Ms. Christians, I want to thank you both for taking the time to appear before the committee. Your input has been valuable to the committee. On behalf of the committee and on behalf of Canadians, I want to thank you for appearing today.

Members, I have a couple of things.

You've all been given a motion that was accepted at PROC. There's a requirement that we accept it here at committee. It is to provide the associate members of the committee access to our digital binder. It's a relatively routine motion.

Do I have unanimous consent to approve that motion?

Mr. Sari, do you have a technical question?

**Abdelhaq Sari:** Yes. Is this just for this committee or for other committees?

• (1735)

**The Chair:** There are other committees that have associate members, so when PROC dealt with this, it was for all committees.

**Abdelhaq Sari:** It was for all committees.

Thank you.

**The Chair:** Madam Lapointe.

**Linda Lapointe:** Can we have a vote?

**The Chair:** I thought we had unanimous consent. That's my mistake.

We will have a recorded vote.

(Motion agreed to: yeas 8; nays 0)

**The Chair:** Thank you, Madam Clerk.

The second thing is regarding information that I want to provide committee members.

You'll recall that we asked for additional information from the Clerk of the Privy Council as well as the Prime Minister's chief of staff. Today is the deadline to receive that. We've not received it up to this point. We didn't put a time on it, like five o'clock, so I expect that we are going to get something, hopefully, by midnight.

The clerk indicated to me during the meeting that she is expecting to receive the documents today, and I just wanted to make the committee aware of that.

I have no other business.

Thank you, again, for your attention today. Thank you to our analysts, our clerk and our technicians.

Go, Jays, go!

The meeting is adjourned.





Published under the authority of the Speaker of  
the House of Commons

---

### SPEAKER'S PERMISSION

---

The proceedings of the House of Commons and its committees are hereby made available to provide greater public access. The parliamentary privilege of the House of Commons to control the publication and broadcast of the proceedings of the House of Commons and its committees is nonetheless reserved. All copyrights therein are also reserved.

Reproduction of the proceedings of the House of Commons and its committees, in whole or in part and in any medium, is hereby permitted provided that the reproduction is accurate and is not presented as official. This permission does not extend to reproduction, distribution or use for commercial purpose of financial gain. Reproduction or use outside this permission or without authorization may be treated as copyright infringement in accordance with the Copyright Act. Authorization may be obtained on written application to the Office of the Speaker of the House of Commons.

Reproduction in accordance with this permission does not constitute publication under the authority of the House of Commons. The absolute privilege that applies to the proceedings of the House of Commons does not extend to these permitted reproductions. Where a reproduction includes briefs to a committee of the House of Commons, authorization for reproduction may be required from the authors in accordance with the Copyright Act.

Nothing in this permission abrogates or derogates from the privileges, powers, immunities and rights of the House of Commons and its committees. For greater certainty, this permission does not affect the prohibition against impeaching or questioning the proceedings of the House of Commons in courts or otherwise. The House of Commons retains the right and privilege to find users in contempt of Parliament if a reproduction or use is not in accordance with this permission.

---

Also available on the House of Commons website at the following address: <https://www.ourcommons.ca>

Publié en conformité de l'autorité  
du Président de la Chambre des communes

---

### PERMISSION DU PRÉSIDENT

---

Les délibérations de la Chambre des communes et de ses comités sont mises à la disposition du public pour mieux le renseigner. La Chambre conserve néanmoins son privilège parlementaire de contrôler la publication et la diffusion des délibérations et elle possède tous les droits d'auteur sur celles-ci.

Il est permis de reproduire les délibérations de la Chambre et de ses comités, en tout ou en partie, sur n'importe quel support, pourvu que la reproduction soit exacte et qu'elle ne soit pas présentée comme version officielle. Il n'est toutefois pas permis de reproduire, de distribuer ou d'utiliser les délibérations à des fins commerciales visant la réalisation d'un profit financier. Toute reproduction ou utilisation non permise ou non formellement autorisée peut être considérée comme une violation du droit d'auteur aux termes de la Loi sur le droit d'auteur. Une autorisation formelle peut être obtenue sur présentation d'une demande écrite au Bureau du Président de la Chambre des communes.

La reproduction conforme à la présente permission ne constitue pas une publication sous l'autorité de la Chambre. Le privilège absolu qui s'applique aux délibérations de la Chambre ne s'étend pas aux reproductions permises. Lorsqu'une reproduction comprend des mémoires présentés à un comité de la Chambre, il peut être nécessaire d'obtenir de leurs auteurs l'autorisation de les reproduire, conformément à la Loi sur le droit d'auteur.

La présente permission ne porte pas atteinte aux privilèges, pouvoirs, immunités et droits de la Chambre et de ses comités. Il est entendu que cette permission ne touche pas l'interdiction de contester ou de mettre en cause les délibérations de la Chambre devant les tribunaux ou autrement. La Chambre conserve le droit et le privilège de déclarer l'utilisateur coupable d'outrage au Parlement lorsque la reproduction ou l'utilisation n'est pas conforme à la présente permission.

---

Aussi disponible sur le site Web de la Chambre des communes à l'adresse suivante :  
<https://www.noscommunes.ca>