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• (1100)

[*Translation*]

The Chair (Hon. Jean-Yves Duclos (Québec Centre, Lib.)): I call this meeting to order.

Good morning, everyone. Thank you for being here on this Tuesday, November 18. Welcome to meeting number 13 of the House of Commons Standing Committee on Public Safety and National Security.

Pursuant to Standing Order 108(2) and the House order of reference of October 23, the committee is meeting to consider Bill C-12, an act respecting certain measures relating to the security of Canada's borders and the integrity of the Canadian immigration system and respecting other related security measures.

I would now like to welcome the two witnesses for the first hour of this meeting. From the Canadian Bankers Association, we have Michael Donovan, chair of the Anti-Money Laundering Specialist Group; and Hartland Elcock, assistant general counsel and vice-president.

Welcome, Mr. Elcock and Mr. Donovan.

Mr. Elcock, you have five minutes for your opening remarks.

[*English*]

Hartland Elcock (Assistant General Counsel and Vice-President, Canadian Bankers Association): Good morning.

I would like to thank the committee for the opportunity to speak to Bill C-12, an act respecting certain measures relating to the security of Canada's borders and the integrity of the Canadian immigration system and respecting other related security measures.

My name is Harland Elcock, and I am the assistant general counsel and vice-president of the Canadian Bankers Association. With me is Michael Donovan, a member and chair of the CBA's anti-money laundering specialist group, and senior vice-president and chief AML officer, Canadian Imperial Bank of Commerce.

We are both pleased to be here today to speak to Bill C-12. The CBA is the voice of more than 60 banks in Canada, employing more than 300,000 Canadians and helping to drive Canada's economic growth and prosperity. Our members take the fight against money laundering, terrorist financing and sanctions evasion seriously. Among the most active reporting entities in Canada's AML regime, they devote significant resources to their AML programs, including their internal controls and employee training. Much of this investment focuses on continual improvements to address the

shifting landscape of compliance requirements and the evolving nature of risk. Their goal is to effectively detect, deter and report suspicious activity to mitigate money laundering, terrorist financing and sanctions evasion.

As major stakeholders within the AML regime, our members' participation moves beyond compliance. Banks play a leadership role in public-private partnerships with FINTRAC. One of these triple-P partnerships is Project Guardian, which is focused on identifying transactions or attempted transactions where there are reasonable grounds to suspect money laundering related to fentanyl trafficking. This project led to FINTRAC operation alerts, and highlights indicators of suspicious transactions for all reporting entities.

The CBA and its members also actively participate in ongoing enhancements to Canada's AML regime. For example, the CBA and members have long sat on the federal Advisory Committee on Money Laundering and Terrorist Financing. We have also been advocates supporting comprehensive beneficial ownership transparency in Canada and increased private-to-private information sharing for AML and ATF purposes. These changes are a step forward for Canada's AML regime.

In alignment with our members' position and investment in Canada's AML regime, we suggest targeted changes to Bill C-12, none of which change the substance of the bill, and new regulations to help the bill achieve its policy goals while mitigating adverse outcomes.

More specifically, the CBA suggests the following targeted changes to provide clarity to Bill C-12's proposed changes to the regime that will reinforce a risk-based approach, preserve the efficacy of recent enhancements to the AML regime—like private-to-private information sharing—and promote transparency and predictability. These changes are as follows.

Defer the coming into force of increased administrative monetary penalties until regulatory criteria are established to ensure their transparent and predictable application, reserving the highest AMPs for egregious and systemic issues.

Add a regulation-making power to establish and provide certainty on the criteria for assessing if a compliance program is reasonably designed, risk-based and effective.

Remove the one-year limit to extending a compliance remediation agreement to prevent the arbitrary application of significant additional fines, particularly where a delay is outside the control of a reporting entity.

In determining if a client's name is obviously fictitious, rely solely on the judgment of the reporting entity, as this is a highly subjective standard.

Exempt banks from the mandatory FINTRAC enrolment due to existing oversight.

Amend the proposed false information offence to reflect intent to deceive. This is consistent with other similar provisions in the Criminal Code, and will avoid triggering the offence when providing information, or not, in good faith.

Clarify that, like a violation, an offence alleged to have been committed before the coming into force of the proposed new provisions and Bill C-12 will not be subject to them.

Thank you, again.

I will now turn to Michael Donovan for final remarks.

• (1105)

Michael Donovan (Chair of the Anti-Money Laundering Specialist Group, Canadian Bankers Association): Thank you, Hartland.

As Hartland mentioned, my name is Michael Donovan. I'm very happy to be here in my capacity as the chair of the CBA's anti-money laundering specialist group. I appreciate the opportunity to speak on Bill C-12 today.

I want to highlight the commitment of CBA members to an efficient and effective AML regime. CBA members recognize the leadership role they play within Canada's AML regime. They make significant investments in their AML programs and work closely with FINTRAC, the Department of Finance Canada, law enforcement agencies and prudential regulators to deter and detect money laundering, terrorist financing and sanctions evasion activities. They also participate actively in discussions and consultations with government to help inform the ongoing evolution of Canada's AML regime.

We feel that adopting the technical changes to Bill C-12, as Hartland has outlined today and in our brief that we provided to the committee, will help ensure a fit-for-purpose, risk-based AML regime that can more effectively target and keep pace with evolving risks. This will strengthen our collective ability to protect the interests of all Canadians.

Thank you very much.

[*Translation*]

The Chair: Thank you very much.

We'll now go to questions from members.

Mr. Lloyd, you have the floor for six minutes.

[*English*]

Dane Lloyd (Parkland, CPC): Thank you, Mr. Chair.

Thank you to the witnesses.

Mr. Elcock, could you repeat the intent-to-deceive recommendation that you put forward?

Hartland Elcock: Yes, sir. Again, this has been provided to the committee in a brief, so you should be able to review it there as well.

Currently, there's a proposal in the legislation to have a criminal offence for failing to provide FINTRAC with information or for providing incorrect information to FINTRAC. We don't have a problem per se with the offence, but as with many fraudulent statement offences under the Criminal Code, there's an intent to deceive.

What we wouldn't want here is an unintended consequence where someone in good faith has, through an examination process, let's say, with FINTRAC, decided to provide certain information in response to FINTRAC. Perhaps the information, in their view, was correct or perhaps they failed to provide information because it simply wasn't needed, based on their good-faith judgment. We wouldn't want a criminal censure to be placed against a good-faith action by a compliance officer in an organization. The unintended consequence is that you can impact both the hiring and retention of high-quality staff in this important area in the bank.

• (1110)

Dane Lloyd: Thank you for clarifying that.

Mr. Donovan, Canada has seen a huge rise in online gambling in recent years due to legislative changes that have really opened up this market. Have you been seeing any rise in money laundering in relation to online gambling activities?

Michael Donovan: The scope of what we're here to speak about on Bill C-12 is really the provisions that we've talked about in our opening address and in the brief.

In terms of seeing an increase in money laundering in the gaming sector, that might be a question better directed towards FINTRAC, which receives the information from the gaming sector and other sectors related to suspicion of money laundering coming from those areas. It would probably be in a better position to answer that question.

Dane Lloyd: Are you saying that you can't answer the question or that you just won't answer the question?

Michael Donovan: I don't have the information to be able to accurately tell you whether or not I've seen an increase or not. Again, I think it's better to go to FINTRAC for that information.

Dane Lloyd: There were people who were significantly concerned about provisions that I see have now been included in budget 2025 with regard to banning cash transactions over \$10,000.

I'm wondering if you could provide some context for people about these provisions and why these provisions have been brought forward. Can you provide some more information about those?

Hartland Elcock: I can't speak to Bill C-2 at the moment. We're here to speak to Bill C-12.

I can certainly follow up with your office if that would be helpful and connect you with the CBA, but it would be inappropriate for me to comment on the decision of the government around certain amendments.

Dane Lloyd: How do you think the legislative changes in Bill C-12 will affect law enforcement's ability to investigate complex financial crimes that are related to organized crime?

Hartland Elcock: The majority of changes in Bill C-12 are related to supervision and compliance. That's really the focus of these changes.

I can't necessarily comment on external factors, but I think I can comfortably indicate that the changes—the minor amendments—we're suggesting to Bill C-12 would help create more predictability and transparency around those supervision and compliance powers to ensure a more efficient and effective regime, which ultimately would help to empower the AML regime.

Dane Lloyd: I only have a minute left.

Are you familiar specifically with parts 9 and 10 of Bill C-12? Do you think that these are sufficient to address the current vulnerabilities that criminal organizations are exploiting within the financial sector, or do you think stronger and clearer legislation is needed?

Hartland Elcock: We're supportive of a strong AML regime that's efficient and effective. Particularly, we believe that if minor amendments are made to Bill C-12 along the lines that we've outlined in the brief to the committee, they'll likely strengthen the regime and lead to better protection for Canadians.

The Chair: Thank you, MP Lloyd, for that segment.

Let me turn to MP Acan for six minutes.

[*Translation*]

Sima Acan (Oakville West, Lib.): Thank you, Mr. Chair.

[*English*]

Mr. Elcock and Mr. Donovan, thank you for coming to be our witnesses today.

My questions can be answered by both of you, if necessary.

It is evident that criminals often evolve their methods and techniques for committing illicit financing in Canada. This includes the

use of emerging technologies such as AI-driven bots, platforms like Telegram, or privacy coins to mask some transactions.

Can you speak to the effectiveness of the amendments in Bill C-12 to equip Canada's AML regime to catch up with and meet the emerging threats?

Hartland Elcock: Again, Bill C-12 is largely focused on supervision and compliance changes within FINTRAC. We believe that should those changes be properly and technically made—as I said at the outset, all of the amendments we're suggesting are minor and wouldn't change the substance of the bill—they will drive efficiencies and effectiveness in the regime, which will flow through to reporting, improved financial intelligence, better prosecutions and investigations and, ultimately, protecting Canadians.

Sima Acan: You mentioned in your opening remarks an amendment to Bill C-12, but in addition to that, do you see any technological or collaborative measures we should consider that could support and strengthen the AML regime?

• (1115)

Hartland Elcock: I'm here today to speak to Bill C-12, so again, I'm focused on those technical amendments to the bill that we believe will drive efficiencies, effectiveness, predictability and transparency.

Sima Acan: How does Bill C-12 strengthen the tool box of the Canadian government and banking sector to counter money laundering? Can you provide some examples of what illicit financing, money laundering or related activities Bill C-12 would specifically address?

Hartland Elcock: Bill C-12 predominantly focuses on supervision and compliance.

Supervision is certainly important. FINTRAC has 35,000 reporting entities, so it's important that they're properly equipped to deal with that supervision. It's important, again, that the supervision is predictable and transparent. This will ultimately drive an effectively functioning supervision regime and improved reporting and lead to better protection for Canadians.

Sima Acan: To what extent can enhanced public-private information sharing as outlined in part 10 of Bill C-12 help close the gap between increasingly sophisticated money-laundering techniques and Canada's enforcement regime?

Hartland Elcock: I believe public-private information sharing may not be part of Bill C-12, but I would indicate that we are certainly supportive of responsibly developed information sharing in the AML space. It would create a balance between public safety and, certainly, the interests of Canadians and their privacy.

Sima Acan: How does Canada compare to its closest allies and partners, like the Five Eyes, in terms of anti-money laundering operations and technology? Does Bill C-12 help bring Canada up to speed with these partners?

Hartland Elcock: It would be inappropriate for me to comment on the Canadian government's capabilities in comparison with its peers in the Five Eyes network.

Sima Acan: Thank you.

Do I still have time, Mr. Chair?

The Chair: You have two minutes.

Sima Acan: Can I share my time with my colleagues?

The Chair: Of course, you can.

Madam Dandurand.

[*Translation*]

Marianne Dandurand (Compton—Stanstead, Lib.): Thank you, Mr. Chair.

Thank you very much to the witnesses for being here.

Mr. Elcock, in general, to what extent will the act, as written, give financial institutions more teeth or the capacity to detect financial crime, and what positive impact will that have, in your opinion?

[*English*]

Hartland Elcock: Again, I think Bill C-12 as written currently is largely focused on supervision and enforcement. We believe there should be minor adjustments to those powers for guardrails to create predictability and transparency in their application.

Ultimately, we think this will drive forward a more efficient and effective AML regime, helping to ensure, for example, that we don't have unintended consequences flowing from opaque powers. Some of those unintended consequences could be over-reporting. What we want is the needle in the haystack. I think we've seen this discussed in various different forums before our meeting today. What we'll see, I think, by a properly crafted Bill C-12—again with very minor amendments that we don't think will change the fundamental nature of the bill—is a bill that helps to preserve a risk-based approach within the regime, one that helps to drive efficiency and effectiveness, a fit-for-purpose regime that gets FINTRAC the reporting it needs to generate financial intelligence for law enforcement to then carry out prosecutions and investigations. We're happy to have this discussion today with you.

[*Translation*]

The Chair: Thank you, Ms. Dandurand.

Mrs. DeBellefeuille, you have the floor for six minutes.

Claude DeBellefeuille (Beauharnois—Salaberry—Soulanges—Huntingdon, BQ): Thank you, Mr. Chair.

Mr. Elcock, you came to the Hill to promote anti-fraud efforts. I gather from what you've told us that detecting fraud and the actors who commit fraud is a way to combat fraud. You've been quite actively promoting the fight against fraud.

To what extent could the sharp increase in monetary penalties set out in Bill C-12 disrupt fraudsters and therefore curb fraud?

• (1120)

[*English*]

Hartland Elcock: Thank you so much.

We're here today to speak to Bill C-12. The anti-money laundering regime is focused on the reporting of money laundering, sanctions evasion and anti-terrorism financing.

If you would like to speak to the CBA about its involvement in the Canadian anti-scam coalition, we'd be happy to follow up with your office and engage in those discussions.

[*Translation*]

Claude DeBellefeuille: Earlier, you recommended delaying the application of monetary penalties or sanctions. Can you explain to me exactly why you're recommending this, and perhaps even proposing an amendment?

[*English*]

Hartland Elcock: As you'll note in the brief that we provided to the committee, our intent is not to amend the proposed administrative monetary penalties in any way. The idea would be to delay their coming into force until there are clear regulatory criteria around their application. This would provide predictability and transparency in their application for all entities, not simply banks, but for all entities under the regime.

Through that predictable and transparent application, we can be assured that significant penalties will be used to encourage compliance, particularly where there are egregious or systemic issues. As you'll note in the appendix to the brief that we provided the committee, we do suggest various different criteria that could be included. These criteria are all focused on the core purpose of AMPs, which is to encourage compliance, including what steps, for example, did an entity take to mitigate some of the challenges, or any of the issues that may have encouraged an AMP. What we want, and what the AML regime is designed to do, is to encourage compliance. Transparency and predictability will help to meet that policy goal.

[*Translation*]

Claude DeBellefeuille: Any bill that passes and gets royal assent doesn't necessarily come into force the next day. The regulations must be adopted first. So you're telling us that the whole issue of monetary penalties must be set out in very clear regulations to specify to who could be subject to them and under what circumstances. If that were not done, what impact would that have on you?

[English]

Hartland Elcock: Just to confirm, yes, we do believe it's important for the AMPs regime to be very clear and transparent before it's brought into force. This flows through the entire bill. I think this has positive benefits for the entire bill, including around what makes a reasonably designed and risk-based effective regime. It's helpful to understand regulatory expectations and to understand what potential violations could attract in terms of an AMP.

However, fundamentally, if we don't have this, the impact could be that a lack of transparency or predictability can create an environment where organizations over-report. On an STR, for example, an institution needs to determine if there are reasonable grounds to suspect money laundering, terrorist financing or sanctions evasion before they can legally report to FINTRAC.

What we don't want is over-reporting. It's key that FINTRAC receives actionable financial intelligence from financial institutions, which it can then analyze and collate into its products for law enforcement.

Predictability and transparency in the AMPs regime is important because we don't want an environment of over-reporting, and we believe that if you have an opaque or unclear regime, it may be a potential impact. Therefore, long term we think it's much healthier for the regime to have those transparent and predictable elements outlined in regulation.

[Translation]

The Chair: Thank you, Mrs. DeBellefeuille.

I now give the floor to MP Gill for five minutes.

• (1125)

[English]

Sukhman Gill (Abbotsford—South Langley, CPC): Thank you, Chair.

I will be splitting my time with MP Motz.

Thank you to the witnesses for coming here today and testifying.

Could you outline the expected financial impacts of Bill C-12 on financial institutions, particularly in light of how the bill significantly increases compliance obligations?

Hartland Elcock: It would be inappropriate for me to comment on the individual impacts on a member. I don't have a line of sight on that level of spend. However, what I can say, just to answer your question, is that the changes we see—these technical minor changes that don't substantively change the bill—will drive efficiencies and effectiveness, and will help to ensure that implementation is efficient and effective, which overall means that more resources can be focused on targeting risk and protecting Canadians.

Sukhman Gill: Given the heightened obligations introduced under Bill C-12, do you foresee a realistic possibility that the increased compliance costs could be passed down to the consumers? I'll give the examples of higher service fees, reduced service availability and things like that.

Hartland Elcock: I can't comment. I don't have a line of sight on what an individual institution would choose to do.

Again, I think our goal is to create the most effective and efficient AML regime to ensure that resources, bank resources, are focused on risk, are focused on providing key intelligence to FINTRAC to detect and deter money laundering.

Sukhman Gill: Can you say anything about any costs being passed down to the consumer?

Hartland Elcock: It would be inappropriate for me to comment.

Sukhman Gill: Okay. Thank you.

I'll pass my time to Glen Motz.

Glen Motz (Medicine Hat—Cardston—Warner, CPC): Thank you very much, Chair.

Gentlemen, you mentioned a couple of things today that intrigued me.

One is that you've focused on supervision and compliance, which is the heart of what you're talking about. FINTRAC has 35,000-plus entities that report to them.

We know the history of criminals. They seek out exploitation, and they don't follow the rules. They're exploiting the current system, and they will undoubtedly exploit provisions in Bill C-12.

There are holes—I was going to call them gaps, but really they are huge holes—in the current system, where money laundering is a multi-billion dollar Canadian industry. If you had a magic wand and said that Bill C-12 is a step in the right direction, which we all believe it is, what are some things you could add to further ensure that the criminals who exploit our current system, and who will exploit Bill C-12 to its degree...? What will close those holes, those gaps, at least a bit more?

You've proposed some amendments. I think there's still more that can be done. In the final minute or so that I have, I would ask you to provide your thoughts on that.

Hartland Elcock: I'd look to our opening remarks. We certainly have worked extensively with the government on changes around enhancing beneficial ownership in Canada or the transparency of beneficial ownership in Canada.

We're also supporters of private-to-private information sharing, as stated earlier. Responsible information sharing in the AML space balances the interests of Canadians' privacy with combatting—

Glen Motz: I'm going to interrupt you for a minute.

You speak about compliance. That's a voluntary act. Criminals will not voluntarily follow the rules.

I think there are some extra things we can do. From your position, from your vantage point as the banking industry in Canada, there have to be more things that could be considered in Bill C-12 to prevent more exploitation occurring.

That's really what I'm asking, if I didn't make it clear the first time. What other things can we really focus on that aren't addressed in your opening remarks or in Bill C-12 currently?

Hartland Elcock: It would be inappropriate for me to comment, I think, on the government's choices to put forward certain legislation.

Glen Motz: You're here as a witness, and the purpose of bringing witnesses to committee is not about government choice. It's about hearing from the experts in the industry that can help us, as the whole of government, find solutions, because we're all here on the same team and saying that we need solutions to this problem.

You guys have a unique vantage point to give us those solutions. It's not about whether it's appropriate or not. You have ideas. You may not have brought them forward today, but pie in the sky, what is it that we need to see, hear and do in Bill C-12 that we could still possibly do?

Hartland Elcock: I think, as I said, that responsible AML information sharing is a key way to balance the privacy of Canadians with strengthening the AML regime to focus on bad actors.

Investment is also important, which we've seen. We have long advocated, as the CBA, for investment in prosecutorial and investigative powers. This is important. It's key that organizations within the government...and I think there have been a lot of attempts to do this over decades. This is an issue that the government has long been dealing with. Crime is constantly evolving. Investment is key.

• (1130)

Glen Motz: You're saying in law enforcement and prosecutorial—

The Chair: I'm sorry, MP Motz, but time is up. That was a very useful segment.

We now turn to MP Dandurand for five minutes, please.

[*Translation*]

Marianne Dandurand: Thank you very much, Mr. Chair.

Mr. Elcock, let's go back to the international scene. To maintain our reputation there, we know that it's important to be a peer, to be on the same level as other countries. To what extent do these regulations bring us in line with other countries? In your experience, where do these regulations put us in relation to other countries when it comes to financial crime?

[*English*]

Hartland Elcock: I think that this bill in particular, given its focus on supervision and enforcement, doesn't contain those elements that have been discussed in other forums recently.

Again, it's critical for a transparent, effective AML regime to drive forward the transfer of critical financial intelligence to FINTRAC, which can then properly analyze it and then provide it to law enforcement.

Building a regime, as you've done here, or continuing to add to a regime, is important, and we think that minor amendments that don't change the substance of the bill are important to ensure that this bill achieves its policy goal of strengthening the AML regime in Canada.

[*Translation*]

Marianne Dandurand: Bill C-12 requires that the compliance program adopted under the act be "reasonably designed, risk-based and effective". How will this standard help you focus your efforts on financial crime risks, such as highly sophisticated money laundering and cyber-fraud schemes, rather than serving as window dressing compliance?

[*English*]

Hartland Elcock: Our members invest heavily in their AML programs. This investment cuts from everything from training of employees to the design of their controls. What's in this bill will, if properly amended, create efficiencies and effectiveness that ensure the regime functions effectively and provides the information that FINTRAC requires to meet its mandate.

Michael Donovan: I would just add that I think provision in particular codifies what the banks are already doing, but helps bring a level playing field to other reporting entity sectors across the regime that may not have adopted the same compliance approach. The technical amendments that we're looking for are just to provide some assurity and transparency to the criteria which we'll be measured against in terms of bringing that compliance program that is risk-based and effective to bear.

Right now, the way it's written is still very subjective. We would just like a little bit more clarity and criteria around what is going to be that test of what's effective. As it's drafted right now, that's a little bit ambiguous to us.

[*Translation*]

Marianne Dandurand: Do you have any recommendations as to the clarifications that should be made in this regard?

[*English*]

Hartland Elcock: We would encourage consultation on that point, particularly as it's a regulatory point.

As Michael mentioned, our members certainly already have robust, well-funded programs. I think consultation will help to breathe life into the regulations and help to set a standard that benefits the AML regime as a whole. As Michael mentioned, there may be other sectors that would greatly benefit from a clear pathway here. The banking sector is a leader in this space and through consultation would certainly be able to provide its views to the government on how best to design these future regulations.

• (1135)

[*Translation*]

Marianne Dandurand: Do I have any time left, Mr. Chair?

The Chair: You have 30 seconds.

Marianne Dandurand: I'm going to give my time to Mrs. DeBellefeuille.

The Chair: You can feel the love around this table.

Mrs. DeBellefeuille, you have the floor for three minutes.

Claude DeBellefeuille: Thank you very much for your generosity, Ms. Dandurand. Our guests have to listen to the interpretation to understand me, which leaves me less time to ask my questions.

Mr. Elcock, you often refer to your brief. You may not be in the habit of testifying before parliamentary committees, but since you didn't submit your brief in both official languages, no one around the table was able to read it before your appearance. However, I believe you have the means to prepare a brief in both official languages. That would have allowed us to delve deeper into your testimony and further explore the amendments you are proposing. That was just a little piece of advice.

Could you tell us the big difference between the current regime and the one proposed in Bill C-12? What would the bill change day to day for banks? If it gets passed, would the Quebecers and Canadians who frequent your establishments be better protected?

[*English*]

Hartland Elcock: Thank you for the feedback.

The major difference with Bill C-12 for our members to some extent isn't significant. Our members are highly compliant. They have a strong compliance culture and invest heavily in their operations, both from a compliance perspective and, as I said in my opening remarks, from the perspective of engaging directly with FINTRAC to drive forward education in this space to provide all reporting entities with key indicators on reporting on specific types of money laundering and terrorist financing. Therefore, banks are leaders in the AML regime.

However, what we do think are important are minor amendments to this bill that will help the bill achieve its policy goal of building a stronger compliance and supervision framework for all 35,000 reporting entities.

An example is mandatory enrolment. We support mandatory enrolment in principle. It's important that FINTRAC be able to understand who all of its reporting entities are. It needs to know its reporting entity base. In our view, banks shouldn't be included in that program simply because it's duplicative for banks. Banks are al-

ready overseen by OSFI. There's already a registration program in place there.

Similarly, banks actually provide assessments to FINTRAC to support its compliance operations, as is common in the financial services sector. FINTRAC has a strong relationship and knowledge of all banks operating in Canada, and we don't feel there's a need for banks to provide this registration information. It would simply be duplicative and potentially conflicting between different registration regimes.

That does not mean, though, that we do not support mandatory enrolment. Mandatory enrolment, as I said, is very important, in principle, for the regime and it's critical. This is a critical step forward in Bill C-12 for FINTRAC to have that information on a broader set of reporting entities, which are 35,000 in number.

[*Translation*]

The Chair: Thank you, Mr. Elcock, for that brief intervention.

MP Au, you have the floor for five minutes.

[*English*]

Chak Au (Richmond Centre—Marpole, CPC): Thank you for the presentation.

I come from Vancouver. I represent the riding of Richmond Centre—Marpole, so I'm quite familiar with the so-called Vancouver model of money laundering. One thing we've identified in the past was that many of those criminal activities of money laundering actually went through the currency exchange operations. We see that quite often if one operator is being red-flagged or sanctioned, they can easily change the name and open up another new operation to carry on with the activities.

From your perspective, is this still going on? Also, is Bill C-12 going to do anything about interrupting that kind of chain of operations?

• (1140)

Hartland Elcock: It would be inappropriate for me to comment on specific risks within the money-laundering sector. That's maybe a better question for FINTRAC. The CBA, as a trade association, doesn't have line of sight on that level of specificity.

What I would say, though, is that what's being proposed in Bill C-12 will outline improvements to supervision enforcement, which, as I think Michael mentioned, are important for reporting sectors as a whole.

With the appropriate amendments to Bill C-12 to target it and create transparency and predictability in its application, I think we will help to encourage compliance with the PCMLTFA for certain reporting sectors and drive forward a stronger and more efficient money-laundering regime that keeps pace with risk.

Risks in the AML space are always evolving. That's why our members invest so heavily in their operations, their programs, their policies, their procedures and their training to ensure they can detect and deter risk as it changes.

Chak Au: Are you saying that the underlying loopholes that enable the Vancouver model will remain open even if Bill C-12 passes? Is that correct?

Hartland Elcock: I don't think that's correct. It simply would be inappropriate for me to comment on that level of specificity. I don't have line of sight on that level of operational information. Again, it is a better question for the government.

Michael Donovan: I would just add that as we look at Bill C-12, I think there are provisions in there that look to help identify individuals involved in the Canadian AML regime from a financial perspective. Those provisions will help identify them so that FINTRAC can properly supervise them.

There are amendments in here asking for greater supervision and assurance that FINTRAC is getting the information it needs to be able to ensure compliance with the AML laws and regulations. Then there are suggested technical amendments for the requisite penalties to be in place for those who are going to be egregious about not complying with those requirements. From that perspective, that's why we're very supportive of what's contained here within Bill C-12, with the right technical amendments so we don't have the unintended impact.

All of that should help to strengthen the risks you're identifying through the typology of the Vancouver model or other money-laundering typologies.

The stronger identification and supervision of the players within the market and assurance that the information they're providing is accurate and meaningful can only help strengthen the regime.

Chak Au: I have a question on the effectiveness of reporting.

The banks submit millions of reports to FINTRAC every year, yet only a small number lead to investigations. There's been a criticism that the industry is over-reporting on low-value transactions, yet under-reporting on high-risk areas such as foreign transfers, MSBs and trade-based laundering.

What is your comment on that?

Hartland Elcock: I think some of the criticisms may be the over-reporting of data overall, which can lead to a high volume and low value. It's not necessarily that there isn't a high degree of reporting. Our members submit millions of STRs to FINTRAC over a multi-year period. There's certainly a high level of investment in that aspect of the regime.

What we'd like to see here are the technical amendments that we've suggested, which will help drive predictability and transparency in application and help to prevent over-reporting. Clarity in regulatory expectations will assist organizations in meeting those expectations properly in analyzing risk, focusing their efforts on pinpointing the needles in the haystack and providing reporting to FINTRAC.

We've also seen other developments in the regime such as private-to-private information sharing and enhanced beneficial owner-

ship transparency. All of these help to target risk and lead to a more effective and efficient AML regime.

• (1145)

Chak Au: From your perspective—

The Chair: Thank you, MP Au. I'm sorry for interrupting.

Let me turn to MP Ehsassi for five minutes.

Hon. Ali Ehsassi (Willowdale, Lib.): Thank you to the witnesses for being here and helping us through this legislation.

I'll start off by asking this.

Obviously, this legislation is significant and provides us with additional tools, but how do we compare with other Five Eyes countries? What is your assessment on that particular front?

Hartland Elcock: It's important always to observe the recommendations of supranational bodies like the Financial Action Task Force, as the Canadian regime does. That's how our regime is designed; it's tailoring those recommendations to the Canadian model. It's done very effectively in Canada.

As I said, our members invest heavily in their AML operations, programs, policies—

Hon. Ali Ehsassi: Overall, since you like to use the term “regime” constantly, I was just wondering how we compare.

I appreciate that we're doing our best to keep up with recommendations that are adopted by all of the Five Eyes, but how do we compare? Where are the weaknesses? What are the strengths?

Hartland Elcock: The Canadian regime is always evolving. It's always learning to address risk more effectively. I know it's repetitive, but I think two really significant steps forward for the regime have been an enhancement to beneficial ownership information and transparency in that with the creation of the federal registry. Private-to-private information sharing was another step forward for the regime earlier this year.

As we continue to build the regime and better target risk and create a regime that's risk-based, purpose built and has the tools it needs, like mandatory enrolment, we continue to improve. AML is not a static space. It's a space where risk is constantly evolving.

Hon. Ali Ehsassi: I appreciate that, but we're trying to improve it. As Mr. Motz was saying, we're just trying to determine where those weaknesses are and how we can improve this legislation.

You touched on the fact that, in your opinion, there weren't sufficient resources devoted to prosecutions. That seems to be a very sensible thing to say. Could you unpack that for all of us so that we have a better sense as to what more can be done?

Hartland Elcock: I think my statement was that it's always important for investment to exist. It's important for the regime overall to have the investment and the tools that it needs to carry out its mandate.

We've seen, for example, in the FINTRAC space, the development of a cost-recovery model that is applied to our members and other federally regulated financial institutions. That's a way to ensure the appropriate funding for FINTRAC. That continues to expand and may be expanded to other reporting sectors as well.

Hon. Ali Ehsassi: Reporting is different from prosecutions, is it not?

Hartland Elcock: Yes, I'm speaking to investment more generally.

Hon. Ali Ehsassi: I'm specifically asking about prosecutions since you, yourself, brought it up. I'm just wondering what more can be done to make sure that we strengthen this regime.

Hartland Elcock: We certainly look forward to better understanding the government's proposals around the federal financial crimes agency, as well as other investments recently outlined.

Hon. Ali Ehsassi: Mr. Donovan, is there anything you would like to add to that?

Michael Donovan: In terms of the private-to-private information sharing, we talked about—

Hon. Ali Ehsassi: I mean on the prosecution side.

Michael Donovan: On Bill C-12, we talked also about public-to-private information sharing coming in the budget implementation act. We also talked about the financial crimes agency. These are all steps the government is taking to strengthen the AML regime, which will then lead to better investigation and prosecution of money laundering in Canada.

I think that's the commitment we're seeing through the various pieces of legislation that are coming forward. We're happy to engage in providing our input from a consultative perspective into some of the changes in legislation and regulation around that.

Those are all the steps that we're seeing that can lead to better prosecution of money laundering.

Hon. Ali Ehsassi: Are you suggesting that prosecution is not a resource issue, that there are gaps in the regulatory framework and once those gaps—

• (1150)

Michael Donovan: It wouldn't be appropriate for us to speak to the resource gap or not. We're not familiar enough with that side of the justice and prosecution office. However, the focus that the government's putting on this area through these various amendments is a step in the right direction.

Hon. Ali Ehsassi: Thank you.

The Chair: Thank you, MP Ehsassi.

MP Au, you have five minutes.

Chak Au: Thank you.

I want to follow up on my previous questions.

From your perspective, how effective is the reporting system to FINTRAC right now in terms of trying to interrupt these kinds of criminal activities and money laundering in the country? How effective is the current reporting system, and what kinds of changes should be adopted?

Hartland Elcock: It's a reporting system that is constantly evolving and improving. The importance is a regime that increasingly focuses on risk and that encourages targeted reporting to ensure that FINTRAC receives the information it needs to enable prosecutions and protect Canadians, which is what we're all hoping for from the AML regime. It's why all stakeholders participate in consultations and invest in the regime.

Overall, we think that recent changes, such as private-to-private information sharing, will help bolster reporting to FINTRAC and help create observation of complex risk and complex criminal activities. Ultimately, that improves what goes to FINTRAC.

It's an evolution. It's an ongoing iterative process.

Chak Au: I understand that you are representing the banks so you don't want to comment on other money services operations. However, we have to look at the bigger picture. You are representing just one sector out of many.

Again, if we're looking at the bigger picture, trying to see the continuum of money services businesses, what are the loopholes that we haven't addressed since the Vancouver money-laundering model was identified?

Hartland Elcock: Really, today I'm here to speak to Bill C-12, and it would be inappropriate for me to comment more broadly on risks that I don't have a line of sight on. However, I can indicate that the changes we're proposing for Bill C-12, again, are minor, and they will ensure that what's outlined in Bill C-12 will help to build a stronger regime and to better target risk.

Michael Donovan: I would add, though, that the government's recent national risk assessment on money laundering, which the CBA participated in by providing input and feedback, is probably a good guide as to where the vulnerabilities are within Canada's AML regime, from a money-laundering perspective. That, for us, is something we incorporate within our own institution's risk assessments that we undertake across the enterprise, as well as when we're looking at our various clients, to help determine the right mitigation controls that we need to put in place to comply with the law as well as to prevent money laundering and terrorist financing here in Canada. I think that is the appropriate document to look at, to see where there may be further opportunities to strengthen Canada's AML regime against the vulnerabilities that have been highlighted in the national risk assessment.

Chak Au: I'm really disappointed that you failed to comment on the bigger picture. You narrowly confined yourself to a very small area.

Anyway, I'm going to ask you another question regarding the banks that you represent.

We know there are some changes in new money-laundering methods linked to the drug trade, such as crypto layering, funnel accounts and trade manipulation. Again, how is the bank sector adapting to those kinds of new methods of money laundering? What have you been doing, and what kinds of measures have you adopted?

Hartland Elcock: Well, as Mike outlined, the national risk assessment has been updated to provide pinpointed information on different types of risks. Banks then invest heavily in their programs, policies, procedures and controls to help target, detect, disrupt and deter these sorts of activities.

Michael Donovan: I would just say it's a continuum. We are always looking to evolve our detection and deterrence methodologies within the various banks to identify these emerging risks, manage those appropriately and, in the end, ensure that we're reporting any suspicion of money laundering related to these emerging technologies or new sectors to FINTRAC so that they can appropriately do their analysis and disclose to law enforcement, as required.

• (1155)

Chak Au: How fast are the banks being able to catch up—

The Chair: Thank you. I'm sorry, MP Au, but that's all the time we have for that segment.

We have MP Ramsay for the next segment, and then we'll move to Madam DeBellefeuille.

[Translation]

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

Jacques Ramsay (La Prairie—Atateken, Lib.): To begin, I would simply like to say, as Mrs. DeBellefeuille said, that it would have been very useful for committee members if the Canadian Bankers Association had produced its brief in both official languages.

Mr. Elcock, I had the benefit of meeting you before the meeting, so I already had some material. One of your recommendations is as follows: “Add a regulation making power to establish and provide certainty on the criteria...”

In your presentation, you seem to refer a lot to FINTRAC, the Financial Transactions and Reports Analysis Centre of Canada. Tell me why FINTRAC can't determine those criteria. I would have thought it could already adopt those kinds of regulations to meet the conditions you talked about.

[English]

Hartland Elcock: What we'd like to see is the criteria in regulation rather than in guidance: This creates more transparency and predictability. It also ensures consultation with reporting entity sectors to ensure that all of the different factors that should be considered and potential unintended consequences are worked through with government. It leads to a robust set of criteria. It's not uncommon in regulatory or supervision frameworks for specific criteria to be included in regulation.

[Translation]

Jacques Ramsay: Is FINTRAC capable of holding consultations like that?

[English]

Hartland Elcock: We would like to see the Department of Finance consult on future regulations, as is common practice under any regulation of the PCMLTFA.

[Translation]

Jacques Ramsay: You talked about millions of suspicious transaction reports. In your opinion, how many of those reports are analyzed by FINTRAC and lead to further action?

[English]

Hartland Elcock: A suspicious transaction report is an STR. These are reports on transactions where there are reasonable grounds to suspect that there is money laundering, terrorist financing, sanctions evasion or an attempted transaction that could be linked to those three offences.

Once that information is passed to FINTRAC, it's confidential as to how it's handled and whether it's disclosed to law enforcement and how that's done. I would encourage engagement with FINTRAC and FINTRAC's annual report to better understand the potential outputs of STRs and how they use that information.

[Translation]

Jacques Ramsay: That doesn't stop you from talking about a large number of low-value transactions. So you still have your opinion on that. I understand that FINTRAC has the final say on this, but, in your opinion, how could the process be improved to generate more suspicious transaction reports that lead to an outcome?

[English]

Hartland Elcock: There have been a number of advancements to address this particular point in the last several years, one being private-to-private information sharing. This helps organizations, reporting entities under the PCMLTFA, if properly empowered and approved by the Office of the Privacy Commissioner of Canada, to share information that will allow them to identify complex criminal networks and improve their ability to determine if there are reasonable grounds to suspect money laundering and terrorist financing, which then allows for an STR to FINTRAC.

I think more improvements in this area are positive. We've seen public-to-private information sharing also being discussed. I think appropriate AML information sharing that properly balances the privacy of Canadians with their security and safety is an effective way to ensure that financial intelligence STRs are targeted on bad actors and that FINTRAC has actionable information that it can use to empower law enforcement.

Also, I'd draw attention to the efforts of our members in this area: the public-to-private partnerships. I mentioned Project Guardian, for example, that helps to develop or has developed indicators around money laundering linked to fentanyl trafficking. This isn't important only for our members; this is important for the regime overall. It educates all the foreign entities—

• (1200)

[Translation]

The Chair: I'm sorry for interrupting, Mr. Elcock, but the time is up. Thank you.

Mrs. DeBellefeuille, you have the floor for two and a half minutes.

Claude DeBellefeuille: Thank you, Mr. Chair.

Mr. Elcock, I'd like to continue the discussion we started in the last round.

You told me that it was important to know the regulations in order to know the rules of the game, and that duplication was to be avoided. What impact could duplication have on our ability to intervene in money laundering? What should be avoided?

[English]

Hartland Elcock: The only area of duplication that we're dealing with, in our view, at least in Bill C-12, is mandatory enrolment. Again, mandatory enrolment is important. It's important that FINTRAC know its reporting entity base, but our members already have a strong relationship with FINTRAC and are already well known to FINTRAC. All of the relevant information is already collected and maintained by OSFI.

It is a duplication to have our members register both with FINTRAC and with OSFI. This is the only area where we see a need for a minor technical amendment to avoid duplication, but again, we do not want our comments to be confused with not supporting mandatory enrolment.

[Translation]

Claude DeBellefeuille: I'm sorry to interrupt you, but I just want a better understanding.

You agree that if we pass Bill C-12, there will be some duplication, especially for your members, since you seem to be telling us that you're quite advanced on the whole compliance issue.

However, I insist: What does Bill C-12 change for you? You're telling me that there could be some duplication. You have to know the rules of the game, but you were consulted by the government. You shared your concerns and worries with the government. Does it seem like you were heard or completely ignored?

[English]

Hartland Elcock: The Department of Finance operates a robust consultative framework. What we're suggesting here are technical changes to supervision and enforcement in proposed amendments in Bill C-12. None of our changes seek to undermine the core purpose of the bill or its policy intent. Again, our minor changes, which are technical changes to wording, are only to drive forward efficiency and effectiveness.

What we see in Bill C-12 is a bill that will enhance supervision and enforcement powers under the regime, or proposes to. We believe those enforcement and supervision enhancements should be predictably, transparently and fairly applied. The minor changes will achieve that.

[Translation]

The Chair: Thank you, Mr. Elcock. I'm sorry to cut you off so abruptly, but we're at the end of the hour we were able to spend together.

Mr. Elcock and Mr. Donovan, thank you very much for being here and participating, and for your preparation. We wish you a good day.

We will suspend for a few minutes while we bring in the other witnesses.

• (1200)

_____ (Pause) _____

• (1205)

The Chair: We're back, and we will now begin our second hour of testimony and questions.

I'd like to begin by welcoming our guests for this second hour.

From the Ontario Provincial Police, we have Superintendent Pat Morris, commander of the Provincial Operations Intelligence Bureau, by video conference. From the Royal Canadian Mounted Police, we have Derek Santosuosso, assistant commissioner, technical operations, and Superintendent Kimberly Hopkins, director general, sensitive and specialized investigative services.

Welcome to all three of you.

Superintendent Morris, I understand that you also represent the Canadian Association of Chiefs of Police, so you're going to give us a bit of an overview from both organizations. You have the floor for 10 minutes.

• (1210)

[English]

Chief Superintendent Pat Morris (Commander, Provincial Operations Intelligence Bureau, Ontario Provincial Police): Honourable members of the committee, thank you for the opportunity to appear before you today. I come to speak on behalf of the Ontario Provincial Police and, more broadly, the members of the Canadian Association of Chiefs of Police.

My role is not to comment specifically on matters of federal jurisdiction, although they are intrinsically tied to this legislation and our overall mission in public safety. I will focus on the critical areas in which the current and associated legislation, both Bill C-12 and Bill C-2, and the mandates and roles of our federal law enforcement and intelligence partners merge with those of the Canadian law enforcement community more broadly.

With that in mind, I am specifically focusing on the public safety threats of transnational organized crime, terrorist and extremist entities. I will discuss the convergence of these actors, malevolent foreign actors, transnational repression and the devastating impact of illicit commodities including drugs and weapons as well as human trafficking and transnational fraud, including cryptocurrency and trade-based and traditional money laundering, which impact public safety and the integrity of our criminal justice system on a daily basis.

Border security, national security, the integrity of our immigration system and the other related security measures referred to in the title of this legislation are key to public safety. This includes the safety and security of our citizens in their daily lives as they are impacted by crime and also the more elusive threats of transnational crime, terrorist conspiracies or foreign actor interference. It is the detection, prevention and mitigation of these nefarious impacts on Canadians and the disruption of the actors that perpetrate them that are our joint responsibility—what we refer to as our mission.

I wish to communicate clearly about the role of the OPP and Canada's police services in this operational environment, the complexity of our task, the challenges our investigators face daily, and how legislation such as Bill C-12 and other factors included in Bill C-2 are an absolute requirement for us to fulfill this mission and enhance the safety of Canadians. In my opinion, some are just a matter of common sense, such as lawful access.

By way of introduction, the OPP is comprised of approximately 10,000 members. It is the second largest police service in Canada and one of the largest deployed services in North America. While it provides frontline services for over 300 communities, it is responsible for vast territories that include marine and land border points, critical infrastructure and transportation in proximity to key ports of entry. The OPP also provides a host of specialized investigative services, such as intelligence and investigative capacity specific to transnational organized crime and terrorism and sophisticated investigative supports in relation to cybercrime, physical and electronic surveillance and other services.

Recently, we have watched significant developments in international relations that merit our attention. The United States conducted military operations in the Caribbean that resulted in civilian casualties. In response, trusted intelligence partners have signalled concerns about operational practices and have adjusted their intelligence co-operation. We have seen escalations in global conflict, demographic shifts, polarization, a lack of societal cohesion and increased impact domestically by foreign actors that impact the trust in our public institutions, including the police.

These are significant to us, not because the Ontario Provincial Police have a role in foreign policy but because they illustrate a broader reality. The geopolitical environment is altered. Events in the Middle East, Ukraine and Venezuela impact public safety in our small towns. Further, partnership frameworks that have governed international security for decades are shifting. For Canadian law enforcement, this means we must be thoughtful about how we develop our own operational capacity, how we leverage our intelligence resources, how our legislative norms ensure interoperability domestically and with allies—ultimately, how we build and maintain na-

tional and border security within this environment, enhancing the safety of our communities at home.

This is not a cause for alarm. It's simply a recognition that our society and the threats that are presented as well as the remedies, require more complex partnerships and more careful management. Canadian law enforcement must be increasingly nimble in our operational effectiveness. In this, we need your help.

Against this background of geopolitical change, I want to describe the very concrete operational challenges Canadian law enforcement agencies face every day. These are not theoretical but operational, as recently as today.

By way of example, just this month, the OPP seized 46 kilograms of fentanyl in a single operation. That is equivalent to 460,000 street doses. This represents only one single enforcement action against trafficking networks that, by federal health estimates, have resulted in approximately 18 deaths per day or 1,377 apparent opioid toxicity deaths in the first quarter of 2025.

● (1215)

The OPP and numerous services have been very engaged in targeting these trafficking networks, especially in relation to fentanyl and cocaine. Our success in countering these threats is of paramount importance, hence our discussion today.

The first reality is that sophisticated criminal organizations—Mexican cartels, South American trafficking networks, Chinese production operations and transnational criminal organizations in general—are using our country as a critical node in global supply chains. These are not traditional drug trafficking and money-laundering organizations. They operate with unprecedented sophistication. This resulted in the listing of seven criminal organizations as terrorist entities in 2025.

Intelligence indicates that at least seven major transnational criminal organizations maintain operations in our country. They have systematically embedded operatives within Canadian shipping logistics chains and export facilities. They have cultivated relationships with corrupted public and private sector employees, including port workers, warehouse supervisors, and transportation and licensing officials. They understand Canadian supply chain vulnerabilities and they exploit them methodically.

The challenge is not that organized crime exists. The challenge is the scale, the sophistication and the integration of these networks into legitimate commercial entities. A single corrupted supervisor or long-haul trucker can enable multiple trafficking operations, each generating hundreds of thousands of dollars in criminal proceeds. The changes proposed in Bill C-12 will assist in this regard undoubtedly, and we welcome them, but they fall short.

The most sophisticated investigative technique in organized crime today is effective and reasonable lawful access, including interception of criminal communications as warranted under part VI of the Criminal Code, but Canadian law enforcement faces monumental obstacles in this regard. Criminals communicate on encrypted social media applications. That is how they execute money-laundering schemes, engage in terrorist conspiracies and involve themselves in acts of murder, and yet our legislation does not recognize and act on the evolution of technology and the tools and procedures required to disrupt these conspiracies.

As the officer responsible for this capacity in the Ontario Provincial Police and the joint-force joint technical assistance centre, I can assure you that this is an absolute daily impediment with real-life consequences to our citizenry. Bill C-2 contained the lawful access updates that are necessary to be successful in combatting modern, technologically enabled crime to protect victims and prosecute offenders.

The second threat and reality is that first nations communities and territories adjacent to our border are being systematically utilized and exploited as smuggling corridors and contraband staging zones. In May 2025, the OPP's Project Panda disrupted a criminal network operating within Six Nations and uncovered transnational criminal organizations manufacturing counterfeit products, including up to 500 million counterfeit cigarettes annually on first nations territory. These operations employ community members and create a cycle where economic incentive overwhelms longer-term community welfare.

Akwesasne, Tyendinaga and communities along the St. Lawrence Seaway have similarly become primary smuggling routes for firearms and have been host to production of illicit commodities. In October of 2025, the OPP's Project Chase executed multiple search warrants, seizing over 110,000 marijuana plants with a street value of over \$120 million.

This is not only a first nations law enforcement problem. This is an effective exploitation of opportunity. This is a threat that will also be faced in areas of burgeoning development in our country, such as Ontario's Ring of Fire and its access to rarefied minerals. Addressing this challenge requires both effective enforcement and collaboration. Bill C-12 provides tools for border security and the enforcement dimension, and they will assist us. Here too, legislative authority for sophisticated lawful intercept, as outlined in Bill C-2, will assist in intelligence acquisition, criminal investigation and prosecution.

The third threat is one that law enforcement has only recently begun to fully operationalize. Foreign governments are conducting security operations within Canada through proxy networks and organized crime groups. This activity is having a devastating impact on

Canadians, especially those within certain diasporas. This was expertly addressed by the CSIS director in his address last week.

In September of this year, by way of example, the Bishnoi gang was designated as a terrorist entity. This organization operates globally, with approximately 700 members, including a substantial presence in Ontario.

• (1220)

It is simultaneously a criminal organization engaging in extortion, assault and murder and a proxy for transnational repression, targeting individuals based on their political affiliations or government stance.

The Chair: Superintendent Morris, you have a couple more seconds, please.

C/Supt Pat Morris: Bill C-12 will enable our operational effectiveness, first, by the improvements in relation to the border security authority, which give us enhanced interoperability with our federal partners; second, by significant improvements in intelligence sharing and information access with key federal partners; third, by the financial intelligence integration, especially in relation to anti-money laundering and mandatory compliance; and fourth, by the enhancements to the Controlled Drugs and Substances Act in relation to precursor chemical control, and protections for our undercover operators.

In conclusion, I welcome these changes, but via viable technological utility. There is a need to modernize Canadian legislation and policy mechanisms to match the pace of technological innovation related to public safety. Our legislative environment is slow to adapt, and this presents daily risks, evidentiary losses and public safety impacts. Criminals communicate and conspire as the rest of society does, via social media applications, not archaic copper lines. Law enforcement encounters encryption, anonymization—

The Chair: I'm sorry, Superintendent, but I'll have to ask you for your input later on in the proceedings.

Thank you for that.

[*Translation*]

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

[*English*]

Assistant Commissioner Derek Santosuosso (Assistant Commissioner, Technical Operations, Royal Canadian Mounted Police): Good afternoon, Mr. Chair and members of the committee.

I am Assistant Commissioner Derek Santosuosso with technical operations within the RCMP, which includes responsibility for the administration of the national sex offender registry.

It is my pleasure to be with you today to provide the RCMP's perspective on Bill C-12 with an emphasis on the proposed amendments to the Sex Offender Information Registration Act, or SOIRA.

The RCMP welcomes the amendments proposed in Bill C-12 as they would meaningfully assist the RCMP's ability to protect public safety in two ways: support the RCMP's intelligence and investigative efforts to detect, investigate and disrupt the illegal drug market, including fentanyl; and enhance the RCMP's ability to disclose information that it collects under SOIRA with domestic and international police and law enforcement partners.

First, Bill C-12's proposed amendments to the Controlled Drugs and Substances Act and the Cannabis Act will ensure that RCMP members are exempt from the application of any provision of the Criminal Code that creates drug-related, inchoate offences—that is to say, relating to a criminal act that has not yet been committed—when they are undertaking lawful investigations. This will effectively prevent our members from engaging in criminal liability while conducting otherwise illicit activities in the context of a lawful drug-related investigation.

Second, and of particular importance to me, Bill C-12's proposed SOIRA amendments will enhance the ability of the RCMP to share information on registered sex offenders with domestic and international partners to better protect public safety.

The RCMP-managed national sex offender registry, or NSOR, is a national registration system for sex offenders convicted of designated sex offences under the Criminal Code and court ordered to report annually to police. As of November 13, there were a little under 71,000 individuals in NSOR.

The legal framework that guides the RCMP's administration of NSOR is set out in the Criminal Code and the Sex Offender Information Registration Act. The Criminal Code requires individuals to comply with SOIRA. The SOIRA sets out the specific obligations with which registered sex offenders must comply, such as providing up-to-date information about their place of residence or planned travel within and outside Canada.

The information on NSOR helps police prevent and investigate crimes of a sexual nature by providing up-to-date information on convicted sex offenders and an instant list of sex offenders who are registered and living within a particular geographic area.

The SOIRA also governs the circumstances in which information from NSOR may be accessed, used or disclosed. It is important to emphasize that the information on NSOR is not public and is only accessible to the police.

Currently, the SOIRA permits the RCMP to disclose information to a foreign police service on the planned international travel of a registered sex offender only if it is necessary to assist in the prevention or investigation of a crime of a sexual nature. This information includes the name, date of birth, dates of departure and return, as well as every address or location while travelling, passport number and photo, criminal history, sexual offence convictions, and victim information, sex and age. The threshold is high.

Bill C-12's proposed SOIRA amendments would also improve the RCMP's ability to share information on registered sex offenders

internationally and domestically with federal, provincial, territorial and municipal law enforcement partners when there are reasonable grounds to believe the disclosure will assist in verifying compliance with the SOIRA, obtaining or executing a warrant, or preventing or investigating a crime of a sexual nature.

For example, this would permit the RCMP to share information with Passport Canada when there are reasonable grounds to believe the disclosure will assist in preventing a crime of a sexual nature, and this information could be used in passport issuance, renewal or revocation determinations.

Many of the other proposed SOIRA amendments come as a result of years of operationalizing SOIRA and identifying unintended gaps that need to be closed. For example, amendments would require sex offenders to report changes to their motor vehicle information throughout the year, clarify what physical characteristics of a sex offender can be recorded, such as tattoos, and enable NSOR to show legally obtained mugshots to victims or witnesses of sex crimes to advance investigations. As of today, a legal defence could argue that the tattoos were not visible and should not have been recorded. To a child victim, a tattoo can be more memorable than any other physical characteristic.

The RCMP's priority is to safeguard public safety, and these proposed amendments would support us in doing just that.

Mr. Chair and members of the committee, thank you for the opportunity to be with you this afternoon. I welcome your questions.

● (1225)

[*Translation*]

The Chair: Thank you very much.

We will now go to questions from members.

Mr. Motz, you have the floor for six minutes.

[*English*]

Glen Motz: Thank you very much, Chair, and thank you to our witnesses for being here today.

I'm going to start with you, Chief Superintendent Morris. I appreciate your candour and the information you shared with us today. There's probably a lot more that you can share and hopefully I and all questioners will give you that opportunity to share it today.

Coming from a law enforcement background, I can tell you that there are significant gaps in the enforcement tools that police have to go through in order to make things legal from an investigative perspective. Moreover, there's a balance between, as you described it, the legislative environment that needs improvement—it's slow, clumsy and not as flexible as it should be—and between law enforcement and prosecution requirements to get successful prosecutions of organized crime, and the need of Canadians for their privacy. For those who may not understand how things work, there have certainly been some significant concerns about that.

I guess my overall question is about how our current laws obviously fall short in assisting law enforcement in multiple investigations—organized crime-related, money laundering, drugs, weapons, whatever it be, and those trafficking, as well as some of our sexual exploitation investigations.

What things, in your perspective, should be considered in this legislation that aren't here now and that we should add to it?

C/Supt Pat Morris: The number one thing that I think needs to be in this legislation, which I do think has many positive attributes, is lawful access. My reasoning is very simple.

I understand the tension and the juxtaposition between privacy and security, but this was an investigative capacity we already enjoyed under part VI of the Criminal Code, and we enjoyed it with the highest level of judicial authorization. Under the Criminal Code, we had to illustrate investigative necessity, and then second, we had to acquire the judicial authorization to engage in the electronic intercept.

We are not asking for a new capacity. We're asking for the capacity that we have already enjoyed since the Criminal Code, and specifically part VI, was overhauled in 1974. The only difference is that the modes of communication of all people have altered and the modes of communication, be they social media applications or...do provide for anonymization and encryption. Criminal conspiracies are discussed in communication either in person or via a device. Therefore, you must have a person in your confidence, such as an undercover operator or a confidential informer, or you must be privy to the communication, which you can acquire via judicial authorization.

The encryption and the mechanisms of that communication do not permit us to acquire that critical intelligence or evidence to prevent, detect, deter or mitigate. I have to be clear on this. What we would ask for is the ability to utilize software, commonly known as on-device investigative techniques. We have the capacity technologically and investigatively to do so. What we do not have is the legislative environment to make it effective to be able to implement it and utilize it effectively. By that I mean in the legislation, specifically sections 37 and 38 of the Canada Evidence Act, being able to only disclose in a way that would allow us to utilize it effectively and practically so that the technique remains alive for us in future considerations.

We are not asking for any alteration of the very high bar that is set now to acquire this, because it is an invasion of privacy. If I could use an analogy, when a criminal locks his door, and we have reasonable grounds to believe...we use a ram to go through the door. When evidence is locked in a safe or behind a lock, we're ju-

dicially authorized to pick the lock. We're not prevented. Encryption is just that form of a lock, and it's no greater abrogation of privacy than we had in the 1980s to acquire...through probes or other forms of electronic intercept.

● (1230)

Glen Motz: Thank you very much. I appreciate those responses, and I do agree.

I left law enforcement in 2015, and already encryption was creating havoc in many of the part VI investigations that were going on that I was privy to.

Regulations sometimes can be clumsy and time-consuming to include, but are you suggesting that we make the changes to Bill C-12? The bill includes the Criminal Code. Are you suggesting that we make amendments to the Criminal Code on that for lawful access and having the on-device technology to pursue? If I heard you correctly, that's what you're asking for.

Can we ask you to do a submission to this committee on what you think that should look like and how it should be adjusted in the Criminal Code sections you are referring to?

I agree because Canadians, this committee and government expect law enforcement to enforce the law. Unfortunately, they don't—

The Chair: MP Motz, I'm sorry to interrupt, but you're already a bit over. That was an important question to ask.

Superintendent, unfortunately you won't have time to answer now, but there will be other opportunities for you to step in, most likely.

In the meantime, we turn to MP Acan for six minutes.

[*Translation*]

Sima Acan (Oakville West, Lib.): Thank you, Mr. Chair.

[*English*]

Thank you very much for being here today.

Superintendent Morris, my questions will be for you to start. If the RCMP officials have anything to add, please feel free to step in.

First of all, I would like to take the chance to thank our law enforcement personnel for their hard work and efforts to keep Canadians safe, especially the OPP, which just shattered a record by seizing 6.5 million dollars' worth of fentanyl, which is 460,000 street-level doses. That seizure was recently carried out in Windsor. I noticed it was more than a year-long investigation. Thank you very much.

I will be asking a question based on the press release of October 16 on the Ontario Association of Chiefs of Police website, which is supporting bills C-12 and C-2.

The release states, “Modernizing lawful access is not about expanding surveillance or diminishing civil liberties. It is about ensuring that police can, with proper court authorization, obtain vital evidence in complex cases involving cybercrime, child exploitation, organized crime, and other serious offences.”

While Bill C-12 represents an important starting point in strengthening Canada's enforcement framework, how will the additional powers proposed in Bill C-2 truly modernize search and seizure capabilities and complement law enforcement in addressing these complex threats?

• (1235)

C/Supt Pat Morris: Thank you for your question. I'll try my best. I want to be very candid and blunt.

We appreciate what has been brought forward in Bill C-12. I see it as four operational domains: border security, transnational organized crime disruption, illicit financial intelligence and the immigration system facilitating more rapid information sharing.

To your question related to the OACP, what is in Bill C-2 is absolutely critical to us in terms of lawful intercept. I agree with what was said. It is not a request for any more of an invasion of privacy. It is only a request for a modern legislative regime and amendments that are relevant to the modernization of how society communicates so that when we acquire the highest level of judicial authorization for an investigation in relation to any of the areas you touched on, which are all critical to public safety, we can effectively do it.

To be quite honest, the way we do it now—and I'm estimating—in a gross majority of the cases, it would be like having English-speaking people monitoring communication in a foreign language. The encryption that occurs results in the fact that we can neither make sense of nor exploit the communication we have acquired. The alterations in Bill C-2 would be much more effective in providing us this key investigative technique that we already had.

The other mechanism is that to acquire it for a single use would be worthless and wasteful. We have to ensure that the Canada Evidence Act is altered so that we have the technique which we previously had, that it's conducive to modern communication, and that it can be protected in terms of the investigative technique and the technology utilized to employ that technique.

Sima Acan: Thank you very much, Superintendent Morris.

You touched base on the Bill C-2 and Bill C-12 gaps. Do you have any specific areas or gaps that you want to identify regarding Bill C-2 addresses and Bill C-12 mechanisms such as accelerated scheduling of precursors, chemicals or jurisdictional vulnerabilities that criminals exploit along the Canada-U.S. border?

C/Supt Pat Morris: In terms of Bill C-12, I'm quite happy with what has been provided to us in terms of the the expanded powers of CBSA, the expanded capacity of IRCC to share the information and the enhanced powers to FINTRAC and financial intelligence, but I aspire always in law enforcement towards fusion. We have about 150 police services in this country. If we all collectively

knew what we actually know and had it for extraction, we would be much more efficient.

I see many of the changes in Bill C-12 as moving in that direction: the establishment of the JOIC, the expanded controls at the border and the expanded powers. Those are all powerful information-sharing authorities and will lead to expanded investigative frameworks, which I see as positive, but the major push I have, on behalf of anyone I've ever spoken to in law enforcement, is the need for our specialized investigative techniques.

Without those, we cannot get to the heart of a conspiracy. Whether it's a conspiracy to commit murder or whether it is a transnational conspiracy for bringing fentanyl, cocaine or firearms into this country, our opportunities would be restricted to opportunistic interdiction for those seizures, as opposed to a proactive intelligence-informed operation.

• (1240)

The Chair: Thank you, Superintendent Morris.

[*Translation*]

Mrs. DeBellefeuille now has the floor for six minutes.

Claude DeBellefeuille: Thank you, Mr. Chair.

Mr. Santosuosso, the riding I represent includes the region of Akwesasne, Saint-Anicet and Lake Saint-François. It is a hub for arms trafficking, tobacco trafficking and, of course, human trafficking.

You didn't really talk about the significance of the change in the role of the Canadian Coast Guard, which will now be able to share intelligence with you so that you can better track certain smugglers, for example. Do you look favourably on this change proposed on Bill C-12? What should be further clarified so that you can better collaborate with the coast guard? Does anything need to be improved in that respect? Among other things, are you in favour of the coast guard being unarmed and limited to sharing intelligence?

[*English*]

A/Commr Derek Santosuosso: Mr. Chair, with regard to within Bill C-12, it really is more along the lines of the sex offenders as far as the changes go and being able to share that information with other agencies, such as the CBSA, the Coast Guard and so on in that space. I would say that we already have an excellent working relationship with the Coast Guard. We continue to do that, as well as with CBSA and municipal and provincial police agencies along the border in your neck of the woods, specifically headed up in what is our federal eastern region.

As for being able to go after those people doing those sorts of things, we are well suited in that place. With the passing of the budget, the extra 1,000 officers heading towards federal policing will also be helpful in that space when it comes to protecting our borders as well as looking at financial crimes and so on.

With regard—

[Translation]

Claude DeBellefeuille: I'm sorry to interrupt you. I prefer to say 750 new officers, because we've learned that it's 750 new officers, plus 250 more who will be assigned to investigations, among other things.

You say that you're well qualified. I spoke to the mayor of Dundee recently. He feels that you have capabilities, but you don't have the staff needed, even with the additional officers. We know that it can take up to a year or a year and a half to train an RCMP officer, including the hiring process. Therefore, we'll see no difference right away in your staff who can intervene in our part of the country, which is a major hot spot.

I'm wondering what you think of Bill C-12. It gives you the opportunity to collaborate with the Canadian Coast Guard, but it doesn't necessarily give you the means to meet the aspirations of the bill. We have a lot of questions on our minds: What will this change on the ground for the part of the country that I represent, which seems to have been abandoned? The RCMP does very little maritime patrolling now. Yes, we see the helicopters, but we don't feel the maritime presence of your unit or the Canadian Coast Guard. So we wonder what will change should the bill pass.

[English]

A/Commr Derek Santosuosso: Again, with Bill C-12, it will be specifically with the sex offender registry. It will allow us to share more information back and forth with our international partners in that space.

I will go back to the extra federal officers who are going to be joining our ranks. The intention is to have them up and in place over the next four years, not within four years. There will be extra humans who can be deployed toward the border.

We are also working with expanding our surveillance techniques at the border in a myriad of ways, whether that is via sensors, drones or other ways in order to capture that. It will take time for us to fill in some of the missing people that we have there, but we will be able to do that with the added funding that we've been able to get.

[Translation]

Claude DeBellefeuille: A study released in 2010 indicated that 5,000 additional officers would be needed to be able to respond to the challenges Canada is facing. We have 1,000 officers, but threats of all kinds are getting worse, whether it's organized crime, cyber-attacks or foreign interference. In his annual address, the director of the Canadian Security Intelligence Service defines the needs, but points out that there is a shortage of staff, and especially of technology. If Bill C-12 is passed, it sets out all kinds of wishes and desires, but it doesn't necessarily guarantee that the RCMP will have everything it needs to accomplish what the bill aspires to. Are you

aware that you won't necessarily have the financial capacity to meet the objectives of Bill C-12?

• (1245)

[English]

A/Commr Derek Santosuosso: We continue to work with the budget as it's allocated to us and the resources that we have in order to go after smugglers, issues at the border, financial crimes, cyber-crime and so on. We prioritize and move things around as we can within the financial constraints we do have and in which we all must operate.

[Translation]

The Chair: Mrs. DeBellefeuille, thank you for your intervention.

I give the floor to Mr. Au for five minutes.

[English]

Chak Au: I have questions for the RCMP officers.

How the system works right now is that the banks would flag suspicious transactions to FINTRAC, and FINTRAC could make referrals to the RCMP for further investigations. What we are seeing is that there are millions of reports being made to FINTRAC and transferred to the RCMP, but we see a very low conversion rate of reports that really get into some kind of investigation.

What are the barriers that stop more investigations from being conducted and what reforms are necessary?

A/Commr Derek Santosuosso: The barriers are mostly a result of the number of files that keep coming in. There's a volume attachment to it. The Canadian Anti-Fraud Centre took over 100,000 reports last year alone. We've just revamped the public reporting page and we expect that to actually double now that it's become easier for folks to do that.

You gather as much evidence as you can. You put it over to the police of jurisdiction, wherever they might be, and then go after what you can and try to prosecute. Sometimes it's the gathering of that evidence that can be hindering because we're not able to get to it or it doesn't exist.

We do welcome the changes with FINTRAC getting more things that they will be collecting from the banks, which they will then be able to disclose to us. With any luck, we'll be able to translate those into investigative files that the police of jurisdiction or the federal financial crime units of the RCMP will be able to use.

Chak Au: Can you clarify, for the current problem, if it's related to some structural barriers, to the lack of capacity of the RCMP or to the expertise that you may have?

A/Commr Derek Santosuosso: Mr. Chair, it's a question of volume, so there are technology barriers we have to get through. We're not all on the same systems. We do work very well with what we have, though, and we try to hit the highest-priority targets, both us and the police of jurisdictions that we work with in that space.

Chak Au: You mentioned that perhaps the different systems are not working in terms of harmonization. How can that be improved?

A/Commr Derek Santosuosso: Mr. Chair, we continue to work on that. For example, with the new public-facing reporting system, we've set it up now so that the public can get in. We'll get more reports. We expect it's a little easier for the public. It's not as onerous or as difficult, especially for people with less computer knowledge.

Also, for those municipal, provincial, territorial and indigenous police agencies that want to join, they'll be able to go in the back end to get that data themselves and then integrate it into their own systems. As well, they can see what's going on in the larger picture across the country. They'll be able to see how a file in British Columbia in the Burnaby detachment is related to something in Peel Region because it is of a nature that they would be able to link it. That should hopefully get us closer to arresting a bad person and putting them in jail.

• (1250)

Chak Au: My other question is about asset seizure. Compared to the United States and Australia, Canada recovers far fewer crime proceeds. What structural barriers limit the RCMP's ability to seize drug-related proceeds quickly and at scale?

A/Commr Derek Santosuosso: Mr. Chair, I don't have an answer for you on that, but I will endeavour to get you something.

Chak Au: Can you supply further information in writing?

A/Commr Derek Santosuosso: Yes, certainly.

Chak Au: We know that the methods of money laundering for criminal proceeds entering into Canada are changing quite fast. They're employing new methods of doing criminal activities. Is the RCMP trying to catch up? How far and how fast do we have to go to catch up with these new methods of criminal activities?

A/Commr Derek Santosuosso: Mr. Chair, the activities of the criminals keep changing. My colleague from the OPP said it quite well, I think. We have to try to keep ahead of them. The second that we make an arrest and use a technique, we've educated the criminal, and they're able to then look for some way to circumvent that. The RCMP continues to try to keep ahead of that as best we can.

This new legislation that exists in Bill C-12 and that is in Bill C-2, which the RCMP remains supportive of, would help us get some of the tools we would need to keep up with what is going on in the criminal world.

The Chair: I'm sorry for being so rude, but I have to move to the next speaker.

Madam Dandurand, you have five minutes please.

[*Translation*]

Marianne Dandurand: Mr. Santosuosso, I too would like to thank you very much for the work you do to protect Canadians. Frankly, you're doing an exceptional job.

I'll go back to the lawful access framework that Mr. Morris talked about. I'm very interested in the RCMP's perspective: If we modernize this lawful access to information framework, what kind of operational barriers could be removed?

[*English*]

A/Commr Derek Santosuosso: Mr. Chair, as I mentioned, we at the RCMP remain supportive of the legislation that's been proposed in Bill C-2, as well as obviously what we're here to talk about, which is Bill C-12.

We are the only Five Eyes country that does not have lawful access legislation. There are a number of like-minded democratic western countries that do, and we do not. Just to catch up to that would be helpful—and I'll certainly allow my colleague with the OPP to speak as well—for us to fill that gap and to get us there.

The other part to remember when we start talking about changes and additions, whether they are in Bill C-12 or in Bill C-2, is that there are already a number of checks and balances that exist within the Criminal Code for search warrants, for interception of private communications under part VI, or anything else along that measure, which allows Canadians to know that privacy is protected, their rights are protected, and the courts are able to hold law enforcement to account and make sure we are doing the right thing. I think C-2 and C-12 are an excellent start for us.

[*Translation*]

Marianne Dandurand: Mr. Morris, do you have anything you'd like to add to that?

[*English*]

C/Supt Pat Morris: I don't mean to be repetitive, but as I understood you, it was about gaps and obstacles. I consider the components of lawful access and our capacity to be nimble and create a legislative framework so that we can become aware via judicial authorization at the highest level, lawfully and respecting the charter, to have access to criminal conspiracies. That is the number one obstacle.

I want to stress—I think I said this before—that this isn't theoretical. This happens every day. I believe that law enforcement is doing an excellent job in terms of acquiring the capacity, employing the initiative and lobbying. We have cases that are ongoing in relation to this currently, and we're in constant communication with the Ministry of the Attorney General and the Public Prosecution Service of Canada, not just with problems but with solutions.

The solution, I believe, is threefold: alterations to the Criminal Code in terms of part VI to permit the use of on-device investigative techniques; second, to impact the disclosure and privilege law so that it can be effective; and last, perhaps to make it a criminal offence to utilize it in any other way that wouldn't be lawful, because that would mitigate or alleviate some societal concerns about privacy.

I really think it's about education and communication. I don't mean to be belittling to anyone in terms of the Canadian public, but I think this is often sold as we are looking for new rights and new powers to intrude, and I don't think that captures, in essence, the status of what's transpiring.

• (1255)

[*Translation*]

Marianne Dandurand: Thank you.

We have representatives from the RCMP and the Ontario Provincial Police. Is this the kind of initiative that can strengthen collaboration between the various police forces and government agencies?

[*English*]

C/Supt Pat Morris: I'm sorry, are you asking me?

Marianne Dandurand: Both of you, because it's about both OPP and RCMP.

C/Supt Pat Morris: Okay, I will answer. That's a great question.

The answer is yes in terms of collaboration, and I am quite blunt on this.

In the province of Ontario, we have the joint technical assistance centre. That is comprised of the largest Ontario police services to coordinate and collaborate in relation to lawful access and lawful intercept. That is the hub for the province of Ontario in terms of investigation, technology and in working with the Ministry of the Attorney General or the Public Prosecution Service of Canada. That's in Ontario, and we plan to expand that.

Outside of that, we work daily with the RCMP in terms of how to utilize our resources. When you ask that question, I can give 15 examples of how we utilize the federal divisions of the RCMP in terms of these specialized investigative techniques, O division, and how we work on that with the integrated national security enforcement teams and the criminal intelligence section.

We could always improve, but we are engaged in collaboration daily.

[*Translation*]

The Chair: Thank you very much, Superintendent. That leaves us two and a half minutes for MP DeBellefeuille.

Claude DeBellefeuille: Thank you very much, Mr. Chair.

Commissioner Santosuosso, in Bill C-12, we see that the reporting base will be expanded to the Financial Transactions and Reports Analysis Centre of Canada. It's going to generate more reporting, which is going to put more pressure on your financial crime units. Do you think you have the resources, now and in the future, to deal with the excessive workload for these units?

[*English*]

A/Commr Derek Santosuosso: It is more than a dual responsibility. If the crime is of a financial nature that rises to the level of federal policing, then our federal commercial crime units are able to undertake those.

In addition to the, as I mentioned earlier, 1,000 extra resources, some of those resources will be going directly into those federal units specifically to deal with financial crime and cybercrime.

With some of that other information that comes through, if it belongs to the police of jurisdiction, whether it's the OPP's, Quebec's or wherever it belongs, we make sure that it gets to the relevant persons, and then they conduct those investigations in that space.

[*Translation*]

Claude DeBellefeuille: Bill C-12 strengthens controls so that precursors can be seized when they're imported. However, there may be a slight weakness in the bill that doesn't allow tracking of shipments to see if they're actually getting to customers who are using the precursors legally and correctly.

Do you have a proposed amendment that would have the bill require tracking of shipments to ensure that they reach legally authorized customers rather than being diverted for illicit activities?

• (1300)

[*English*]

A/Commr Derek Santosuosso: Mr. Chair, when it comes to what we're able to track or not track, certainly I think that on coming into the country, that's a question probably better suited for the CBSA, as they tend to—

[*Translation*]

Claude DeBellefeuille: I no longer have interpretation. I'm sorry. It must be because my mike is on.

The Chair: Perhaps.

Thank you, and you may continue, Superintendent.

[*English*]

A/Commr Derek Santosuosso: When it comes to tracking of products coming into this country, whether that be by rail or cars, etc., they are most often coming in at ports of entry. I would suggest that the CBSA might be best suited to answer that question—

[*Translation*]

Claude DeBellefeuille: I'm sorry. I'm unable to hear the interpretation. The gentleman's sound is so loud that he's drowning out the interpretation. I don't know what's going on.

The Chair: So we will have to check.

Unfortunately, we also ran out of time about thirty seconds ago, so on behalf of all the MPs and the team, I would like to thank the three witnesses who kindly agreed to participate in this morning's meeting. I thank them for their presence and their preparation for this meeting, which was important to us, and I wish them a good day.

For the members and the team, allow me to summarize what lies ahead for us over the next two weeks.

On November 20, two days from now, we will have additional witnesses on Bill C-12. The deadline for proposing amendments to Bill C-12 is Friday, November 21, at noon. Emails have already been sent to us by the clerk yesterday and over the past few weeks. If you have any questions, please do not hesitate to contact him.

On November 25, next week, we will resume consideration of Bill C-12 during the first hour, with witnesses. During the second hour, we will begin and complete clause-by-clause consideration. The following Thursday, November 27, we will return to the study on border management, and at the end of that meeting on November 27, we will have a presentation from Library of Parliament analysts for the drafting of the report.

Mrs. DeBellefeuille, you have the floor.

Claude DeBellefeuille: Mr. Chair, I just wanted to make a comment about today's session.

First, because we had problems with remote interpretation, I am extremely frustrated that I was unable to hear the answer to my question. I believe my parliamentary privilege has been violated. I have already brought this to the attention of our clerk, and I know he is doing his best. However, when we are studying such a technical bill and plan to study it clause by clause, I would like to stress the importance of having interpreters in the booth here. What I experienced is unacceptable. You did not allow the meeting to be extended so that I could hear the response. I find this very frustrating. It is as if the rights of francophones do not matter and only time constraints are important. I am very disappointed with your decision and I wanted to tell you so.

Another thing that would facilitate the committee's work, if possible, would be to receive briefs in both official languages so that we could be better prepared. What happened with the Canadian Bankers Association earlier is somewhat deplorable. Its representatives quoted their brief at every turn, but it is a brief to which we did not have access. I don't know if the clerk could complain to the translation bureau about the fact that translations take a long time to obtain, for example. I don't know if the Canadian Bankers Association's brief was received last week or only this morning, in which case I could understand, but it is very difficult for us to prepare when we do not have our witnesses' briefs.

In closing, I would like to make sure that those who provide their speaking notes in both languages can send them to the interpreters

in the booth here or outside, as this makes it easier for the interpreters. I noticed that one remote interpreter was interpreting at lightning speed, and I assumed she had the text in front of her, because it's impossible for an interpreter to be that fast. However, it would be a good idea to ask that all briefs we receive in advance be forwarded to the interpreters to ensure that our work runs more smoothly.

I will be honest with you: I know that I am the only unilingual French speaker around this table. However, there are unilingual English speakers, and I think that if they experienced what I am experiencing, perhaps change would happen faster. I found what I experienced earlier really frustrating. If it had been the other way around, that is, if an English speaker had been unable to hear the answer because of interpretation problems, I don't know if that would have been acceptable. I wonder about that. I'll leave you with that. I know you are doing your best. However, if I don't say anything, nothing will change.

Thank you for listening.

• (1305)

The Chair: Mrs. DeBellefeuille, allow me to respond very quickly, because time is fleeting.

First, we will ask the RCMP to provide in writing the response that was given orally, but which you were unable to hear for technical reasons, as I understand it. We tried twice, but it didn't work.

Second, with regard to documents that are not submitted to the clerk in both official languages, everyone here is affected by this. The clerk will certainly take note of it and discuss how this can be improved with future witnesses.

Thirdly, I think everyone has realized, even if some use it less, that remote interpretation is of poorer quality. This has nothing to do with the quality of the interpreters, who are doing their best and some of whom are doing surprisingly well, despite the distance. I believe this is an issue that has been raised by the clerk on several occasions at the translation bureau.

Finally, with regard to forwarding documents to interpreters, the clerk has also taken note of your very pertinent comment.

On that note, thank you all, and have a good day.

The meeting is adjourned.

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