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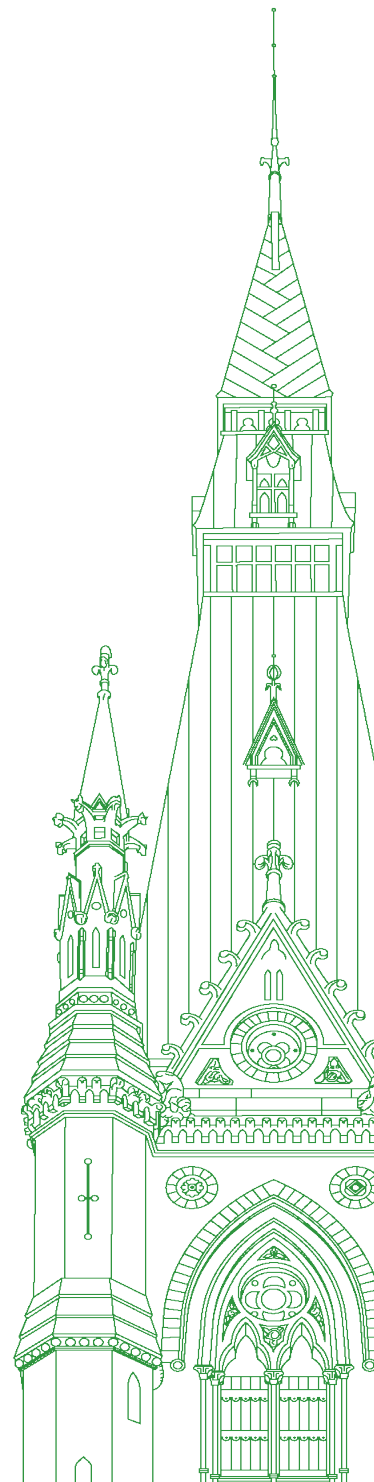
Standing Committee on Justice and Human Rights

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Chair: Iqra Khalid



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• (1530)

[English]

The Chair (Iqra Khalid (Mississauga—Erin Mills, Lib.)): I call this meeting to order.

Welcome to meeting number 38 of the House of Commons Standing Committee on Justice and Human Rights.

Pursuant to the order of reference of June 18, 2026, the committee will begin its clause-by-clause study of Bill C-29, an act to establish the financial crimes agency and to make consequential amendments to certain acts and regulations.

Today's meeting is taking place in a hybrid format, but I realize that there are no members online, so I'll skip all the hybrid format rules.

I would like to make a few comments for the benefit of witnesses and members: Please wait until I recognize you by name before speaking. I remind you that all comments should be addressed through the chair.

We have appearing today the Honourable Gary Anandasangaree, Minister of Public Safety, and the Honourable Sean Fraser, Minister of Justice and Attorney General of Canada.

Welcome, ministers, to this committee and our study of Bill C-29.

We also have officials here who have accompanied the ministers. We will hear from each minister for five minutes, and then we'll get right into the questions.

We'll start with Minister Anandasangaree for five minutes.

Please go ahead.

[Translation]

Hon. Gary Anandasangaree (Minister of Public Safety): Madam Chair, thank you for the opportunity to appear before the committee to discuss Bill C-29, an act to establish the Financial Crimes Agency.

[English]

I'm very proud to be here with my colleague, the Honourable Sean Fraser, and the officials who are here today.

Let me begin by acknowledging that we are gathered on the traditional unceded territory of the Algonquin Anishinabe people.

It is such a pleasure to be back at this committee after a couple of years of absence. I've done long-standing work in this committee

with many of you who are here today, and I want to acknowledge the new opposition critic who has been appointed to this role.

Thank you, Mr. Khanna.

Thank you, as well, Madam Chair.

This bill is a significant step in Canada's commitment to preventing, detecting and disrupting financial crime in all its forms. Creating this new agency means Canada would now have a dedicated law enforcement body, uniting expertise from the RCMP, our provincial and territorial partners and other Canadian police services to more effectively investigate serious and complex financial crimes. Those can include money laundering, fraud and other offences that are often closely linked to organized crime and terrorist financing. These crimes directly threaten the safety of Canadians.

As the Minister of Public Safety, it is my top priority to protect Canadians, and I am proud to work with my colleagues across government to do so. The financial crimes agency would operate under the responsibility of the Minister of Finance, working closely with the RCMP to ensure strong coordination and added capacity, without duplicating core police responsibilities. The agency will have the capacity to lead investigations on its own initiative and in close co-operation with federal, provincial, municipal and international law enforcement partners.

Let me just say that Canada is one of two countries in the Five Eyes that do not have a financial crimes agency, and we are the only country in the G7 that does not.

During the establishment of the agency, RCMP personnel with the necessary skills and expertise will be assigned to provide interim support to the agency until it builds further capacity. While the financial crimes agency would be a stand-alone body, it would complement Canada's existing coordinated approach to combatting crime and terrorism. Investigations could be carried out in collaboration with an existing law enforcement agency in Canada, such as the RCMP, or with one of our international partners.

I'd also like to underscore that the financial crimes agency would, like the RCMP and CBSA, be subject to the soon-to-be-established public complaints and review commission, or PCRC, because accountability and transparency continue to be paramount in our government's effort to combat crime.

Bill C-29 and the proposed new financial crimes agency are part of our government's bigger picture of strengthening law enforcement through multiple targeted actions. Bill C-12, passed earlier this year, included comprehensive reforms to strengthen AML and ATF supervision, compliance and enforcement. Budget 2025 included investments of \$1.8 billion to enhance federal policing and the hiring of 1,000 new RCMP personnel. Of those, 150 will be dedicated to tackling financial crimes, meaning money laundering, organized crime, online fraud and illicit assets.

At the end of the day, these are not abstract concepts for many Canadians. These complex networks of criminals cause real harm, whether through threats of extortion, by stealing cars or by facilitating the flow of illegal, highly dangerous drugs, like fentanyl, in our communities. That is why Bill C-29 and the proposed financial crimes agency are so important. We must use every tool at our disposal to protect Canadians, including through the new agency that Bill C-29 will help stand up.

• (1535)

[Translation]

Thank you again for inviting me here today.

I look forward to your questions.

[English]

Thank you.

[Translation]

The Chair: Thank you very much, Mr. Anandasangaree.

[English]

Thank you for your opening remarks.

Mr. Fraser, please go ahead for five minutes.

Hon. Sean Fraser (Minister of Justice and Attorney General of Canada): Excellent. I'll endeavour to speak for less than that, given that Gary covered many of the points I intended to make.

[Translation]

Before I begin my opening remarks, I think it is essential to point out that there is a strategy to promote public safety across the country.

This strategy rests on three pillars. First, strengthening criminal laws. Second, investing to support our borders and those working on the ground. Third, investing to improve public safety in the long term.

[English]

This particular bill, I would suggest, falls most cleanly into the pillar associated with supporting the front line. Of course, as Minister Anandasangaree pointed out, there will be direct investments to increase the horsepower with new hires in the RCMP to work on financial crimes, but we also need to give them the tools they need to succeed. Some of those have come through other pieces of legislation that give them the investigative tools, but the establishment of a financial crimes agency will centralize expertise and create points of contact and efficiencies within the investigation process that will make it easier for those on the front lines to do their jobs.

It's essential that we recognize the scale of the problem and the changing nature of the problem when it comes to financial crimes. We're talking about reported losses that exceed \$600 million annually. That's a fraction of what we expect may be the true cost, knowing that there's dramatic under-reporting when it comes to victims of fraud. Sometimes we're dealing with individual cases where a person may fall victim to a scam online using new technology with which they are unfamiliar. Other times it will involve sophisticated cross-border operations that are very difficult to track for an individual law enforcement agency that does not have national or international reach.

We also need to recognize that the proceeds of this crime are being used by criminal organizations to fund other illicit activities. By addressing financial crime, we can go upstream in that process to diminish the ability of criminal organizations to do harm to Canadians and other victims around the world.

The path forward will of course involve the creation of the financial crimes agency, which is the subject of this legislation, but I would add, in addition to the points that Minister Anandasangaree laid out, the tools that we're developing through different pieces of legislation. A point that was referenced in the spring economic update of last year indicated that I will be seeking to advance new legislation, or to at least explore new legislation, to support the investigation and prosecution of complex financial crimes going forward. Each of these different portions of the response to financial crime will build together a system that will allow us to more effectively combat crime that increasingly crosses borders, moves quickly and uses new technologies.

With that, colleagues, I'll save whatever time I have left for questions. I thank you for your attention to this matter. We have the opportunity to work together to combat organized crime and protect victims of fraud across Canada.

Thank you.

• (1540)

The Chair: Thank you very much, Minister Fraser. We really appreciate your remarks and for leaving us time to ask questions.

We'll get right into it. For the first six minutes, we'll go to Mr. Khanna.

Please go ahead.

Arpan Khanna (Oxford, CPC): Thank you, Madam Chair.

Thank you to both ministers for coming, and thank you to our department officials.

Minister Anandasangaree, how many personnel will be staffed at this new agency?

Hon. Gary Anandasangaree: The initial expectation is that there will be about 150 from RCMP personnel—

Arpan Khanna: How many [*Inaudible—Editor*]?

Hon. Gary Anandasangaree: I can't tell you at this point. I think it will be scaled up over a number of years. The first piece of it involves 150 personnel who will be focused on financial crimes and are part of the 1,000 new RCMP personnel hires we're undertaking now.

Arpan Khanna: Minister, you've mentioned this again, but we heard last week about how the 1,000 RCMP personnel are not all officers. It's actually fewer than that. Only 750 are officers. Are the 150 you're pulling out for this new agency new hires or existing RCMP members?

Hon. Gary Anandasangaree: It could be a combination of both. Primarily, they will be new hires, because this envisions expertise in the financial sector, whether it be in forensic accounting, actuarial expertise or very specific data expertise. They will be onboarded as part of the 1,000 RCMP personnel we're hiring.

Arpan Khanna: In the bill, clause 15 says that the commissioner must enter into an agreement with the RCMP. Has that agreement been officially done yet?

Hon. Gary Anandasangaree: No, it hasn't, because it's waiting to go through the legislative process. Once the legislation is passed and once the agency is operationalized, that's when the onboarding will take place.

Arpan Khanna: Shouldn't Canadians know how many RCMP officers you'll be taking off the streets and away from fighting other types of crime? The RCMP commissioner is telling us that we're short 3,400 RCMP officers today. Now you're going to pull more officers to the FCA. Where are they going to come from? If you look at the numbers in the last few years, we have had a net increase of only 62 officers. How fast can you make these officers? I've been to the Depot. They can't produce them fast enough.

You continuously promise “1,000 new”—you literally said that 45 times in Parliament—yet there are no results. Why are you continually making these promises? Are you setting up this agency for failure?

Hon. Gary Anandasangaree: Let me be very clear on the 1,000 new RCMP personnel who are being onboarded. Right now, we're just over the 200 mark. By March of next year, the end of this fiscal year, we anticipate that we will have about 500 individuals onboarded. They are a combination of existing police officers from other jurisdictions who are going through an expedited training process in Chilliwack. While Depot will remain our primary area of recruitment and training for new frontline officers, for those who are experienced—

Arpan Khanna: I'm sorry, Minister, but I want to go back to my question. I know you love to talk about those things, but the other question I have for you is this: What is the FCA going to do that the RCMP can't do today? Where is the RCMP failing so that you have to make a new agency for \$400 million?

Hon. Gary Anandasangaree: The nature of financial crimes has evolved. There's a need for concentration. There are 13 or so agencies that are now in the business of fighting financial crime—

Arpan Khanna: The RCMP already works with them now. They're already coordinating these efforts with them.

Hon. Gary Anandasangaree: This will enhance that work. The RCMP will continue to work with the financial crimes agency—

Arpan Khanna: Is the only difference going to be that you'll be housing them in one building? Is that the only difference we're spending \$400 million on?

Hon. Gary Anandasangaree: No, that's not the only difference. Minister Fraser talked about new legislation that's contemplating—

Arpan Khanna: That's not in the act. That's not what we're discussing today.

Hon. Gary Anandasangaree: It is part of.... If you're asking for the vision of what the financial crimes agency will do, this is what I'm trying to spell out for you.

We will have specific expertise in the financial sector that will be part of this—

● (1545)

Arpan Khanna: It's all wishful thinking. In the act, there's no mention of that. You talk about RCMP resources being used. I have frontline officers telling me they're being stretched as it is, and now—

Hon. Gary Anandasangaree: Mr. Khanna, I think you're conflating contract policing with—

Arpan Khanna: No, I'm not.

Hon. Gary Anandasangaree: I do believe you are, because if you're looking at the 1,000 RCMP—

Arpan Khanna: I'm not—

The Chair: I'll remind members and witnesses to please address each other through the chair.

Arpan Khanna: Through you, Madam Chair, I have a question for Minister Sean Fraser.

In the act, it says that the minister could intervene via fiat if it's a matter of national interest. Can you define “national interest”?

Hon. Sean Fraser: There's a range of different circumstances in which a matter could engage the national interest. This is not an exhaustive list because, of course, facts, technology and the world change more quickly than we could potentially imagine today.

You can imagine a crime that may impact multiple provinces. You can imagine an opportunity to engage in international investigations that reach beyond Canada's borders. You can imagine circumstances where the severity of a given set of financial crimes could be funnelling into a criminal organization that would pose a public safety threat in many places in Canada.

Arpan Khanna: If somebody doesn't agree with you or your government politically, can you use that national interest to seize bank accounts and invoke the Emergencies Act?

Hon. Sean Fraser: The targeting of someone for political reasons would be completely counter to the principles—

Arpan Khanna: Your government did that, and the courts found it to be unconstitutional.

Hon. Sean Fraser: That is your political point of view.

Arpan Khanna: No, it's the court's.

Hon. Sean Fraser: You're stumbling on the point that I don't think you intended to make.

One of the things that I relish about Canada's system of democracy is that citizens have access to the courts. If we take a decision that exceeds the boundaries of the authorities included in the legislation, you have access to launch applications for judicial review to say the government acted in a manner that was unreasonable—

Arpan Khanna: Then they'll wait multiple years while you destroy their lives, as the government has—

Hon. Sean Fraser: I have a fundamental point of disagreement with your characterization and support of the freedom convoy—

Arpan Khanna: That's what has happened in the last few years.

Why not define such an important term in the act itself? Why not outline the parameters? We've seen your government fail when it comes to these things in the past. Why not let Parliament decide what those measures are instead of giving you this broad stroke of power?

Hon. Sean Fraser: First, I find it interesting that you couch your political objection to this legislation in your support for the freedom convoy.

Second, when it comes to the approach I've taken across different bills now, I've sought to be collaborative with members of Parliament from different political parties. It's led to amendments and changes to the laws that are now in effect. I would hope that this committee has the opportunity to hear from the director of public prosecutions and ask questions about whether these authorities are sufficiently ring-fenced.

In my view, focusing on items that touch on the national interest and that cross provincial boundaries or perhaps international boundaries would be completely appropriate for the federal government to assume jurisdiction over an investigation. However, if you have a different view and have productive amendments that you wish to put forward, this is precisely the venue in which you're entitled to make those amendments.

The Chair: Thank you very much. That concludes your time.

We'll now move on to Ms. Gladu for six minutes.

Please go ahead.

Marilyn Gladu (Sarnia—Lambton—Bkejwanong, Lib.): Thank you, Chair.

Thank you to the ministers for appearing today and for bringing forward this really important piece of legislation.

We clearly see that we have not, in the past, had the tools to handle the sheer volume of crime, be it money laundering, drug trafficking, human trafficking or extortion, that has continued to plague the country. I think we need to do something. This financial crimes agency will be a great coordinating agency, but I want to ask a question, first of all, about information sharing. I'll ask it of the Minister of Public Safety.

You're going to have police in different jurisdictions and in different provinces, potentially, along with the RCMP, FINTRAC and this new organization, all seeing some of these crimes. Are they going to be able to share information, and will that sharing include Bill C-22, the lawful access bill that the police have been asking for in order to help address and actually find the evidence to convict people? Will they be able to share this kind of information?

Hon. Gary Anandasangaree: Information sharing is oftentimes through mutual assistance agreements with the different agencies. Bill C-22 enables law enforcement to access a specific type of information through judicial authorization, and oftentimes that is limited to the agency that is seeking that warrant.

In this case, if it is a matter that the investigation is led by the financial crimes agency, presumably they will be the ones that are seeking the judicial authorization for them to undertake lawful access to certain types of electronic data. In the case of multiple agencies involved, there may be some kind of agreement as to a lead agency that undertakes the investigation, but the sharing of that information will be quite limited.

Marilyn Gladu: Excellent. Thank you.

This leads into my next question. I would think that different organizations are going to be first into a case. They're going to notice that there's something amiss: money laundering, drug trafficking or whatever. How is it decided which organization is going to take the lead on the investigation?

• (1550)

Hon. Gary Anandasangaree: Police of jurisdiction often have the lead. Let's say in the case of extortion, you may have extortion taking place at an increased level of numbers in specific jurisdictions. Oftentimes, they may be isolated and the police of jurisdiction are looking at that specific set of allegations they see in their jurisdiction.

When it's elevated to the national level, whether it's through the RCMP or the financial crimes agency, where essentially it's about following the money, they will ask, "Where is the money transfer taking place? Where is the illicit transfer of funds?" There may be some commonalities that they will identify.

There may be an international element. There may be a cross-provincial and a territorial element. That is when I think the financial crimes agency will work best, because it will be able to bring in the information at a high level and look at the national and sometimes international picture and continue the investigation. Oftentimes, most investigations will commence at the local police of jurisdiction and then work towards a more national picture.

Marilyn Gladu: Thank you.

Minister Fraser, let's continue on the jurisdictional part of this. Can you talk a bit about how we're going to make sure that the federal government has its jurisdiction, the provinces have their jurisdiction and the police have their jurisdiction, and how all of these things are going to be respected as we work forward?

Hon. Sean Fraser: Keep in mind that there are federal investigations into financial crime today. The agreements that are reached between federal and provincial or municipal law enforcement, as the case may be, are something that they are accustomed to and have the ability to work through.

I don't think it's as clean as it could be, particularly when the federal authorities who are involved in these investigations are not necessarily working collectively in a single agency. The expertise isn't necessarily as strong when separated as it will be together. The same process that plays out today in terms of collaboration between different levels of government, or I should say, law enforcement that reports to different levels of government, will take place in a different and more streamlined way.

Just maybe, too, on this point, to clarify a response I gave to an earlier question, this is not going to be a political conversation that plays out between elected officials at different levels. These are going to be decisions that are taken by law enforcement on the ground, or in the instance where a fiat power may be used, for example, by the independent director of public prosecutions. These are people who have deep experience in collaborating with different levels of government to understand who is best positioned in a given set of circumstances to deliver a fulsome investigation that leads to a prosecution when a crime has been committed and to a conviction.

Like everything else, you work through relationships based on a set of rules that set the table for a productive conversation. That's what this bill seeks to do.

Marilyn Gladu: Excellent.

I have a last question for you. I was very interested to see that in this bill there's a part to help recover the proceeds of crime. Why is it so important to take the profit out of criminal activity by putting this measure in place?

Perhaps that's for the Minister of Public Safety.

Hon. Gary Anandasangaree: I think it's quite important, and we've seen it in a number of different provinces. In British Columbia, for example, they have a fairly robust proceeds of crime bill that enables them to recover funds and to use them for the common good. This is something that I think is currently not easily accessible in the federal system. This will enable us to compensate, in some cases, those who may have lost money.

Oftentimes, we know that when a group of people lose money, we may not be able to recover the full extent of it, but even a percentage of that will satisfy, in some cases, those victims who have been exploited and traumatized and who oftentimes have lost their life savings. It is, I believe, a modest attempt to ensure that there's some compensation for their loss.

Marilyn Gladu: Thank you very much.

The Chair: Thank you very much.

[Translation]

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

[English]

Please go ahead.

[Translation]

Rhéal Éloi Fortin (Rivière-du-Nord, BQ): Thank you, Madam Chair.

Minister Anandasangaree and Minister Fraser, welcome to the committee. It's always a pleasure to hear your testimony.

Bill C-29 is a rather meaningful bill that proposes to disregard in some cases the division of powers set out in the British North America Act. We, at the Bloc Québécois, take this very seriously. I think you will agree that it must be clear.

Honestly, it is not clear to me here when it comes to financial crimes. Obviously, we know what finances are and what a crime is. However, according to the bill, a "financial crime" is a violation of a federal act relating to financial assets. I would say there are a good number of offences that meet that description. The definition of serious and complex financial crimes includes money laundering, fraud, organized criminal activity, theft, extortion, corruption, drug trafficking, other economic crimes and money laundering. There isn't much left once you include crimes in those categories.

I would like you to explain why it is necessary to disregard the division of powers set out in the British North America Act and remove the provincial attorneys general's power to prosecute in these areas.

Minister Fraser, can you answer the question first?

• (1555)

Hon. Sean Fraser: Before I do, I would like to thank you for your questions.

However, I don't agree with every point you raised. It is important to recognize that nowadays police officers, including in the RCMP, are investigating crimes. Normally, federal and provincial systems can work together.

[English]

That piece, in my view, doesn't change significantly. There are federal entities that investigate many of these crimes now.

[Translation]

Rhéal Éloi Fortin: If I may, Minister, I just want to say that your fiat provides for exclusive jurisdiction. That's where I see a difference. There is no exclusive jurisdiction at the moment. Every crime I listed will fall under exclusive federal jurisdiction. This is where we have significant questions, if not objections.

Hon. Sean Fraser: Yes.

[English]

The fiat power, I expect, will be used in exceptional circumstances where it's impracticable for a provincial entity to conduct an investigation because of that investigation crossing provincial boundaries or entering into international collaboration, where working alongside our allies to conduct an investigation or share information may be necessary. This is not something where I expect...nor do I think the individuals charged with investigating crimes want to come in and take jurisdiction on many or a significant number of investigations that are currently being run—and being run competently, by the way—by many provincial entities. The goal here is to fill the gaps where there will be an advantage to working on a national basis, typically because there's an inter-provincial or international dimension, although perhaps not exclusively.

[Translation]

Rhéal Éloi Fortin: Minister, you said a few times that you were open to suggestions for amendments.

Would you accept amendments that would clarify that question? The idea would be to clarify what is meant by serious and complex financial crime. Would you be open to that?

[English]

Hon. Sean Fraser: If I had amendments, they would be reflected in the original draft of the bill on this particular piece.

I would suggest that members of this committee, before making decisions on the specific, exceptional fiat power, hear from the director of public prosecutions about the circumstances in which this may be necessary for Canada to play a role in very serious efforts to combat enterprise crime.

Right now, since we are one of a handful of allies with advanced economies and are a Five Eyes partner, to not have such an agency makes it difficult for people to share information with us.

[Translation]

Rhéal Éloi Fortin: I'm sorry to interrupt, Minister, but I have about a minute of speaking time left.

There is also the national interest aspect, which the bill refers to, that should be clarified. We have talked about this. Bill C-39 is before the House. You know as well as I do that the opposition has a lot of questions about the type of prerogative the Prime Minister defends, which is when he deems a certain project is of the national interest, he will be able to authorize it more quickly, without having to submit to a certain number of planned assessments, especially when it comes to the environment. He will also be able to set aside certain labour relations rules. There is a whole range of things.

Since we're not talking about Bill C-39, I don't want to delve too deeply into this topic. That said, for Mr. Carney's government, national interest seems to be of particular importance, and Bill C-29 refers to that as well. Can you narrow the scope of what the national interest is? We find it quite broad.

• (1600)

[English]

Hon. Sean Fraser: In the 30 seconds I have, I'll try to be precise.

Given that the bill is now before committee, it's not necessarily solely for the minister or the government to propose these changes. To the extent that you have ideas, I would ask that before you advance proposed amendments, hear from the director. Hear about the circumstances in which it is necessary to have these powers. If this committee is of the view that it needs to be further ring-fenced, then you should put the questions to the director to understand why and how. If at the end of the day we can find agreement through good-faith consideration of the proposals that this committee puts forward from any side, that's just how an effective democracy should function.

Please, get information from the people who were telling us during our consultations that this would have a meaningful impact on their ability to fight crime and to dismantle criminal organizations. Perhaps after you've availed yourself of that opportunity, we'd be in a position to discuss in an informed way whether and to what extent amendments would be required.

[Translation]

Rhéal Éloi Fortin: Thank you, Minister.

The Chair: Thank you, Mr. Fortin

[English]

Moving on to our second round, we'll go to Mr. Baber for five minutes.

Please go ahead.

Roman Baber (North York, CPC): Thank you.

Minister, the criminal intelligence service estimates that between \$45 billion and \$113 billion is laundered in Canada every year. Are you familiar with that estimate?

Hon. Gary Anandasangaree: There are a number of estimates, Mr. Baber. It is quite significant. It's one of the reasons we're establishing—

Roman Baber: Would you like to offer your own estimate?

Hon. Gary Anandasangaree: No. What I will say is that there are a number of different ones. It depends on how you look at it. Mr. Fraser offered a number. A number of other entities have different perspectives. Suffice it to say that a high amount is being laundered or is not within our tax system.

Roman Baber: The intelligence service has said that it could be as high as \$113 billion. That's very high.

Do you have any idea of how much of it is laundered for terrorist causes?

Hon. Gary Anandasangaree: What I will say is that transnational organized crime in some situations does include terrorist-related activities. Again, it really does speak to why we need greater coordination and a greater concentration of expertise within an agency.

Roman Baber: Respectfully, I think it speaks to the government's failure to police money laundering in Canada.

A 2025 Department of Finance report warned that Canada is a hub for terrorist fundraising. Are you familiar with the 2025 report?

Hon. Gary Anandasangaree: I am familiar with the assertion that terrorism-related fundraising does occur. It is of concern to the government. A number of activities have been undertaken by the RCMP and CSIS. The Minister of Finance, you will recall, had very specific tracking of those money exchange companies—

Roman Baber: Let's talk about—

Hon. Gary Anandasangaree: —earlier this year and late last fall.

Roman Baber: Let's talk about simple premises. The terrorist group Hezbollah was cited in that report as being a leading recipient of funds originating from Canada. Specifically, it's the port of Montreal that stands out as a known link, where luxury vehicles are shipped to Lebanon and then sold, with proceeds going to Hezbollah.

You've been at this job for 18 months. Why have you failed to shut down the financing of Hezbollah through the port of Montreal?

Hon. Gary Anandasangaree: What I will say, Mr. Baber, is that the actions we've undertaken have resulted in a significant reduction in, for example, auto theft, which is one of the outlets by which money laundering takes place to a number of different entities. From my recollection, auto theft is down 18% overall. This is according to Équité Association. It is trending downwards. I believe the work of law enforcement in key areas, including Peel region, has resulted in some significant reductions.

Roman Baber: This is after a record high in auto thefts.

Minister, commercial ports are regulated by the federal government. Respectfully, I believe that this is your responsibility, and your answer did not address the port of Montreal.

How about the abuse of non-profit organizations or charities for terrorist financing? For example, in open media reports, there is a suggestion that the Canadian Palestinian Foundation sent monies to the Inash Al-Usra Association charity, which the CRA itself says is connected to Hamas, yet the Canadian Palestinian Foundation remains a registered charity in Quebec.

Why is that, Minister?

• (1605)

Hon. Gary Anandasangaree: With respect to the registration of charities, Mr. Baber, I invite you to pose those questions to the Canada Revenue Agency, which does the registration.

Let me for a second and talk about ports—

Roman Baber: The enforcement would be.... I apologize, Minister, but the enforcement would come—

Hon. Gary Anandasangaree: Since you brought up ports, if you will permit me, you will know that Bill C-12 brought in additional authorities for the Canada Border Services Agency to undertake outbound searches, which are now being implemented across Canada, including at marine ports. It is an important aspect of the work we've been doing on money laundering, because there is obviously a connection. These tools have given law enforcement additional authorities to be able to stop—

Roman Baber: I have about 15 seconds left.

Minister, the question was this: Why do entities that are openly called out in the media for raising money for terrorist organizations abroad continue to operate in Canada and continue to collect and raise funds in Canada? That was the question, sir.

The Chair: Thank you very much, Mr. Baber.

That concludes our time for this round. Now we are moving on to Mr. Maloney for five minutes.

Please go ahead.

James Maloney (Etobicoke—Lakeshore, Lib.): Thank you, Madam Chair.

I want to thank both ministers for taking the time to be here today to share with us their insights into this important piece of legislation.

I'm going to follow up on something Mr. Khanna said and that Mr. Baber was getting at in a roundabout way, I suppose.

We've been at this committee dealing with legislation on bail reform in the form of Bill C-14. We then dealt with Bill C-16. One of the constant themes that emerged throughout all of those discussions was that the system is under-resourced, whether it be in terms of police, prosecutors or the courts themselves, yet here we are talking about a new agency that's going to create.... It's not going to pull from those provincial resources; it's going to give them extra resources.

I find it puzzling that the Conservatives take this position of being tough on crime and then criticize you when you do it. My question to you is this: Why is this organization so important, and can you clarify further how it's going to be a distinct, independent and separate one that's going to enhance what's already going on and not pull from it?

Hon. Sean Fraser: Either of us is happy to take the question.

Let's take a look at what is being proposed. We know today that there are federal and provincial entities that are involved in both the investigation and prosecution of financial crimes. On the federal side, they don't sit under one roof. The expertise is spread out across different organizations. By bringing them together, we have an opportunity to benefit from their collective expertise, which will be enhanced by virtue of their ability to more easily collaborate.

In addition, as Minister Anandasangaree pointed out, there is going to be an injection of resources to provide a greater opportunity, with more people working in this system, to help combat these crimes.

When you take it a step further and you look at the international landscape, you realize that Canada's lack of a financial crimes agency disadvantages us in our opportunities to work with allies in an area of law and crime that is increasingly transborder, digital and fast-moving. When you look at a variety of different factors that will see more resources deployed more efficiently and on a wider scale, the case becomes obvious.

The best part of this is that at the end of the day, when you successfully prosecute crimes, not only are you tearing apart a business model that's doing great harm to Canadians through criminal organizations, but you're also benefiting from the proceeds of crime, which helps offset the cost of moving forward with some of these activities.

From my point of view, it is a cost-effective way to gather expertise to allow it to operate more efficiently and on a global scale.

Hon. Gary Anandasangaree: I'll just add to what Mr. Fraser said.

Transnational organized crime's primary motivation is money, finances. Whether they're on the extortion line, auto thefts or a range of other lines, they will pivot as the threat environment changes. What the financial crimes agency would be able to do is choke them on the financial side so that any type of money transfer, whether it's money flowing through shell companies or through very sophisticated means to overseas or within Canada, is choked right at source and would not enable them to move into another line of business. I believe my conversation with the Five Eyes partners in Australia in August strengthened my belief that this is long overdue for Canada.

• (1610)

James Maloney: I'll just pick up on the point about this taking officers away from the RCMP.

My understanding is that there are 1,000 new officers being added to the RCMP complement. Minister, you touched on contract policing versus federal policing. This isn't going to impact that in a negative way. In fact, a certain amount of this new complement is going to be dedicated to this purpose. Isn't that correct?

I also have just one more thing. These aren't just officers. These are specialized investigators, accountants and lawyers—the people who know how to address these issues. Is that right?

Hon. Gary Anandasangaree: Let me just clarify because sometimes I've used the words “officers” and “personnel” synonymously. I'll clarify that 750 will be officers who will be part of the feder-

al policing system. The other 250 are experts. They can, according to this legislation and existing legislation, be sworn in as officers. That authority rests within this legislation. One hundred and fifty will be focusing primarily on financial crimes, and the rest will have expertise in AI and other evolving technology, which we know we need to keep pace with. As law enforcement, we need to keep pace with the fast-evolving landscape.

The Chair: Thank you very much, Mr. Maloney. That concludes your time.

[Translation]

Mr. Fortin, you have the floor for two and a half minutes.

Rhéal Éloi Fortin: Thank you, Madam Chair.

Minister Anandasangaree, I'm not ignoring you, but, if I may, I'll ask Mr. Fraser a few questions.

[English]

Hon. Sean Fraser: He's very nice.

[Translation]

Rhéal Éloi Fortin: Minister, let me explain why I find it difficult that the bill doesn't have a definition of what is a serious and complex financial crime or that the definition is incomplete. You said you would proceed sparingly, that you would discuss things. That's all well and good, but you know as well as I do that if we end up before a judge, the minister's opinion or the good intentions of the minister and his team won't stand up to the British North America Act. I think we need to be clearer.

Even assuming things will be done in good faith and discussed, I would like to know what the criteria are. What will be used to determine whether a financial crime is serious and complex? What specific criteria will you and the people from the Office of the Attorney General and the agency use?

[English]

Hon. Sean Fraser: Thank you.

When you're undertaking an exercise like this, I think you want to be specific enough and put protections in place that will not be abused. In my view, the independence of the director of public prosecutions provides one such protection. However, you also want to be broad enough to allow discretion to address challenges that have not yet emerged. Organized crime is particularly challenging in this regard. The activities follow the opportunities to make money. We're looking at a business model that is fluid, so as you close one door, another window may open. That's where the criminals seek to operate. I would hesitate to—

[Translation]

Rhéal Éloi Fortin: I have about 30 seconds of speaking time left, Minister.

Do you have the criteria that will be used to determine whether an offence constitutes a serious and complex crime, or is there somewhere I can find them?

[English]

Hon. Sean Fraser: The nature of the impact on Canadians would certainly be a factor to consider. The value of the crime being committed would be another factor to consider. However, it's not as though there is a specific and finite nature of factors that are determinate.

[Translation]

Rhéal Éloi Fortin: Thank you.

I will use the last 10 seconds I have to simply say this. You say we have to let situations evolve and take the future into account. I would say that when you change the rules of the game, you have to be specific. We can't let interpretation be too broad.

Thank you, Minister.

[English]

The Chair: Thank you very much, Monsieur Fortin.

[Translation]

[English]

I'm moving to Mr. Lawton for five minutes.

Please go ahead.

Andrew Lawton (Elgin—St. Thomas—London South, CPC): Thank you, Madam Chair.

Thank you, Ministers, for being here.

Just very briefly, Minister Fraser, you earlier alluded to a member of this committee who you said was supportive of the freedom convoy. Just for clarity, are you referring to your colleague Ms. Gladu, or to someone else?

Hon. Sean Fraser: It was based on Mr. Khanna's intervention.

• (1615)

Andrew Lawton: I'm sorry. I thought you were talking about a Liberal member there—my apologies.

Let's talk about the jurisdictional issue here. All of us on this side understand and agree with the necessity of taking financial crimes seriously. I have significant concerns, however, with what seems to be the impulse of this government, which is to create a new agency and a new bureaucracy to deal with any challenge that is facing Canada.

The discretion, in terms of deciding whether to prosecute, seems to rest very heavily with the Attorney General of Canada—and at this point that's you, Minister Fraser. There are things that the Attorney General should look into, maybe, but nothing prescriptive. Even when it comes to investigations, it says the commissioner may consult with local police or other police, but they don't have to.

What guardrails are there to prevent this new agency, or you or your successor, from just swooping in and taking charge of investigations and prosecutions that don't need to fall under this?

Hon. Sean Fraser: First, on your comment regarding your opposition to creating a new agency, I'll repeat the point that Mr. Maloney articulated, which is that it seems, on the one side, we hear

you and your colleagues crying for more resources for law enforcement, and then, when they receive more resources—

Andrew Lawton: Then you and your colleagues cry for more government, but that's not what we're talking about.

Hon. Sean Fraser: Let me finish. I didn't interrupt you when you spoke. I think you should have the common respect to offer me the same grace.

In any event, when we do move forward with more resources for law enforcement, you raise objections at the same time.

As a key point in addressing the question about discretion, the discretion involved in the fiat power is not something that falls to me or my successor in this position, but to the director of public prosecutions, who will make a decision as to whether they should move forward with an investigation, given the circumstances.

Andrew Lawton: Thank you, Minister.

I will read exactly from the bill, subclause 22(1), "If the Attorney General of Canada believes". That's it, "If the Attorney General of Canada believes", so it does actually fall to you. As far as whether or not there is a need to consult with other police of jurisdiction, when I look at subclause 16(3), it reads, "If the Commissioner considers it appropriate", they must then consult with others.

Now, your colleague is whispering something into your ear. Maybe he knows the bill better than you do, but why is so much being rested on your discretion under this bill?

Hon. Sean Fraser: If anyone knew half as much as the man sitting to my right about this bill, they would be very well informed, Mr. Lawton.

With respect, there's a basic fact of how the criminal law operates in this country that your question seems not to understand—or acknowledge, at least. The authorities invested in the Attorney General for the purpose of criminal prosecution is a delegated authority that falls to prosecution services. This is the case for federal prosecutions. It is the case for provincial justice systems as well. We are not proposing to suddenly usurp the independent role.

By the way, it was celebrated by the last Conservative government under Stephen Harper, to ensure that there would be a separation between the politics and the authorities that are being exercised by the director of public prosecutions. We're not proposing, anywhere in this bill, to change that practice.

Andrew Lawton: Minister Anandasangaree, we know that the majority of financial scams and frauds emanate from overseas, and this has made recovering funds virtually impossible for many police who have tried to investigate them.

What new capabilities does this agency provide that will lead to, in your view, if at all, more funds being recovered, specifically from frauds emanating from overseas?

Hon. Gary Anandasangaree: Oftentimes, frauds or other financial crimes also have a Canadian link and have a Canadian missionary who is part of that exercise. I would say that, yes, in some cases it's led by foreign actors, but in many cases it's led with a partner in Canada.

What this will enable is bringing in and having a global perspective, first of all, on a national level. Let's say two or three different territories, provinces, have similar fact scenarios. They may be able to link it at the Canada financial crimes agency, which, in turn, will be able to collaborate with, for example, our Five Eyes partners, our G7 partners and our other like-minded partners, who will often-times face similar sets of challenges in their jurisdictions. This will enable much greater collaboration. At the same time, within Canada, it will enable us to hone down, not as a local police of jurisdiction issue but as much more of a national issue.

Andrew Lawton: There's nothing to go after more overseas frauds—

The Chair: I'm sorry, Mr. Lawton. That concludes your time. Thank you very much.

We'll move on to Mr. Housefather.

Please go ahead for five minutes.

Anthony Housefather (Mount Royal, Lib.): Thank you very much, Madam Chair.

Thank you to both ministers for being here.

The United Kingdom's Serious Fraud Office is endowed with both investigative and prosecutorial powers. How is it that we in Canada chose not to combine prosecutorial powers with the investigative powers of the office?

• (1620)

Hon. Sean Fraser: It's a good question.

Owen, perhaps taking the invitation from Mr. Lawton on the previous question, would you care to add on the comparative U.K. question that we just received?

Owen Ripley (Senior Assistant Deputy Minister, Policy Sector, Department of Justice): Thanks very much, Mr. Housefather and Chair, for the question.

The model here really starts from the premise that part of the challenge we're facing in the Canadian context is an operational and tactical one. We have many good law enforcement agencies and prosecution services in this country with expertise in financial crime, but they are inherently provincial. Part of the reason for standing up this agency is to give greater firepower at a national and international scale.

In the model envisioned, the prosecution side would still depend on the arrangement between the PPSC and a provincial prosecution service about which agency would be best placed to advance that prosecution. That's consistent with our custom here in Canada.

Anthony Housefather: I understand and I appreciate the provincial jurisdiction in some of these areas, and certainly the sensitivity shown by my colleague Monsieur Fortin. It would seem to me that one of the biggest advantages of the U.K. office is the combination of having prosecutors work with investigators from the very beginning. I'd encourage us to consider that as we walk through this bill.

There is another issue that I noticed in the bill. Clause 17 of the bill instructs the commissioner to develop criteria for defining “serious and complex financial crimes”. I think that is the wording. I've heard from many legal analysts that the current statutory

framework is heavily focused on traditional words like “asset forfeiture” and “money laundering”. One of the things that some people have proposed is amending the text of the bill to explicitly enumerate modern digital threats, such as AI-driven consumer fraud, decentralized cryptocurrency scams, etc.

Was there a thought of actually defining them in the bill, instead of putting them entirely to regulatory discretion?

Hon. Sean Fraser: I'm happy to offer thoughts, but please feel free, Minister, to supplement.

We think about these things in every piece of legislation: When is it best to put something in legislation rather than in regulatory authorities?

One of my preoccupations with the strategy that we want to put together to fight financial crime is about how quickly it's changing. If we seek with too great a degree of specificity to enumerate the specific types of crimes or activities that could be considered serious and complex or to be financial crime versus some other kind of crime, we run the risk of casting the net too narrowly. That avoids the opportunity to more effectively combat new and emerging threats that we may not be able to imagine today. Investing in the commissioner or in any piece of legislation—in an individual or organization that will have regulatory discretion to make changes to how they define terms—is going to future-proof, in some ways, the strategy that we're adopting today to deal with crimes that may not be widespread but may be major threats tomorrow.

Anthony Housefather: I have one other question.

How will the FCA be allowed to share information back and forth with provincial regulatory bodies, given the privacy protections on both sides?

Obviously, we know that many, if not most, of the frauds in Canada begin in private banking institutions and provincial securities at the provincial level. How would we be able to access that information?

Hon. Gary Anandasangaree: Oftentimes there are agreements in place among different jurisdictions, but in most cases, the sharing of information is limited within law enforcement agencies. The financial crime agency will be able to compile information for the purpose of litigation and essentially have information flowing in from the different agencies.

Sometimes warrants, for example, will have to be initiated by the financial crime agency. They will have the powers, like any other law enforcement agency, to be able to execute those warrants and obtain lawful access information under Bill C-22.

Hon. Sean Fraser: To supplement that answer, I will refer to my opening remarks about the commitment in the spring economic update to explore options for future legislative opportunities. One such opportunity is on information sharing, and not just on new offences or harsher penalties, but on the plumbing that allows the system to work. This is something that I expect will return to this committee at some point, but we've not yet finalized the proposed different legislative measures that we may be looking at to enhance the ability to share information without violating the core principles around privacy that you drew attention to.

• (1625)

Anthony Housefather: Thank you.

The Chair: Thank you very much.

We have five minutes left, so I'm going to give two minutes to the Conservatives, two to the Liberals and one to Monsieur Fortin.

We'll start with Mr. Gill for two minutes. I'm keeping time.

Amarjeet Gill (Brampton West, CPC): Thank you, Chair.

My question is for the public safety minister.

We all know Brampton businesses and families are targets of extortion, organized crime and auto theft, and they are facing shoot-ins and intimidation every single day. Criminal organizations do this for money. Brampton residents want criminals caught, prosecuted and penalized for the offences they are doing. Tell the people of Brampton what Bill C-29 will deliver on day one that the current system cannot.

Hon. Gary Anandasangaree: For all Canadians, including the people in Brampton, this will enable law enforcement to centralize and work towards resolving issues of transnational organized crime with the principle of following the money that often permeates it, whether in terms of extortion or auto thefts. It is a line of business in which organized criminals go from one step to the other.

This will enable law enforcement, especially at the federal level, to coordinate similarities in crimes that may be taking place in, say, Brampton but also in other jurisdictions in other provinces, and capture the leaders, sometimes with international elements. It will enable law enforcement to share information and work collaboratively with international entities to resolve some of these crimes.

Amarjeet Gill: The residents of Brampton are already funding the RCMP, FINTRAC, CBSA and local police. Why should they believe creating another agency will produce better results instead of more bureaucracy?

Hon. Gary Anandasangaree: I've heard from many of your constituents, Mr. Gill, and what they're looking for is greater collaboration and coordination—

Amarjeet Gill: I can tell you they do not want another bureaucracy.

The Chair: I'm sorry, Mr. Gill. Thank you very much.

We'll move on to Ms. Begum for two minutes.

Doly Begum (Scarborough Southwest, Lib.): Thank you very much, Chair.

First, I want to thank you both for being here and, of course, recognize the efforts by our government to tackle different types of crimes, especially auto theft, which is one that has impacted my constituents, but also other financial crimes and money laundering, some of which we've spoken about here today. Despite the fear-mongering by the Conservative opposition, as well as disinformation and misinformation, I think it's really important for us to highlight exactly what this bill aims to do.

There are different agencies that you'll be working with, especially different provincial partners, in addressing this, as well as RCMP leadership. Are there gaps that you found that you'll be able to address? Based on the challenges we've faced, some of which we've addressed through the previous bills, what are some of the gaps that you think you'll be able to address through Bill C-29?

Hon. Gary Anandasangaree: There are 13 or so different agencies or entities that play a role in this, including FINTRAC. You have the Office of the Superintendent of Financial Institutions and a range of other actors who currently work somewhat independently with some collaboration, and we have all the law enforcement agencies, whether they're federal, the OPP or local police of jurisdiction.

What the financial crimes agency will do is bring all of those entities, at least from a communications perspective, under one roof to collaborate and, where appropriate, bring forward prosecution that speaks not just to one incident or one issue in one location but to pan-Canadian and certainly international activities that are playing into the financial crimes that we are seeing in our streets.

• (1630)

Doly Begum: Thank you very much.

The Chair: Thank you very much. That actually concludes your time.

Ministers, if you have additional things to say, please submit them in writing.

We're going to go to Monsieur Fortin for one minute.

I'm going to keep time, Monsieur Fortin.

[Translation]

Rhéal Éloi Fortin: Thank you, Madam Chair.

Minister Fraser, someone talked about the issue with clause 17 earlier. The clause says this:

In order to focus the Agency's efforts on serious and complex financial crimes, the Commissioner may establish criteria respecting which matters should be investigated under this Act.

Don't you find it surprising that the commissioner, whose position is created in the act and who manages the agency created by the act, is the one to decide what should be investigated? As I understand it, a parliamentary structure should be responsible for that. Wouldn't you agree?

[English]

Hon. Sean Fraser: We rely on law enforcement agencies every day in this country to choose which matters are going to be investigated. Sometimes, even when the law suggests that a particular behaviour would be a crime, different agencies make these decisions at different times as a result of prioritization and resources. One of the advantages to the approach that we've taken is that it will empower the commissioner to take decisions that will be able to evolve over time to ensure that we don't have to wait a year or two years for a piece of legislation to pass should we wish to update the definitions in order to pursue crime that emerges as a new and modern threat in the landscape.

I'll repeat the invitation that I suggested earlier: Hear from the director of public prosecutions. Ask your questions. To the extent that you remain unsatisfied that the approach chosen is the appropriate one, this is the best forum to have those debates.

The Chair: Thank you very much.

I appreciate that, Monsieur Fortin. Thank you for keeping it brief.

Thank you, Minister Fraser, Minister Anandasangaree, Mike, Owen, Chad and Mike for being here today. We really appreciate all of your input and look forward to continuing to work with you.

I'm going to suspend the meeting while we switch to our next panel.

• (1630) _____ (Pause) _____

• (1640)

The Chair: I'm calling this meeting back to order for our second hour on the consideration of Bill C-29.

I'd like to welcome, from the Department of Public Safety and Emergency Preparedness, Chad Westmacott, director general, serious and organized crime, and Mike McGuire, director general, international and border policy. From the Department of Justice, we have Matthew Taylor, senior general counsel and director general, criminal law policy section. From the Department of Finance, we have Julien Brazeau, assistant deputy minister, and Charlene Davidson, senior director, financial crimes and security division. We have, from financial crimes agency creation, Rob Stewart, deputy minister, and from the financial crimes agency transition team, we have Benjamin Rankin, senior adviser. From the RCMP, we have Mike Saghbini, director general, financial crime.

Welcome, folks. We're very excited to have you here.

Would any of you be making any opening remarks? No.

All right. We'll go straight into questions, starting with Mr. Gill for six minutes.

Please go ahead, Mr. Gill.

Amarjeet Gill: Thank you, Chair.

Thank you to all the witnesses for their appearances today.

My first question is for Mr. Stewart.

My community and my city of Brampton have been begging for action to combat extortion. Will this new agency be responsible for combatting extortion?

Rob Stewart (Deputy Minister, Financial Crimes Agency Creation): At this point in time, we are in the stages of planning the agency and standing it up as an entity. We are waiting for the bill to be given royal assent. We have not, at this point in time, determined—because this will be the business of the agency once it's established—the precise focus of the efforts of the agency.

What I can tell you is that the primary objective of the agency is going to be to follow the money. Where we have organized crime operating and money is funnelling from any number of crimes that are predicate crimes, we are going to try to track that money as it moves through the system, intercept it and recover those assets.

Amarjeet Gill: Do you think extortion is a financial crime?

Rob Stewart: Yes, it could be a financial crime, absolutely, if it involves funds, but it could also be a predicate crime.

Amarjeet Gill: My second question is for Mr. Taylor. Possibly Mr. Saghbini could answer it as well.

It is said that for every victim of extortion who reports the crime to the police, there are countless others who do not come forward and report these incidents. Does your department have statistics or numbers on reported versus non-reported crimes, such as extortion?

Matthew Taylor (Senior General Counsel and Director General, Criminal Law Policy Section, Department of Justice): The Department of Justice doesn't have those official statistics, but we can, through Statistics Canada and the Canadian centre for justice statistics, identify the number of charges that have been laid by police across Canada and the court outcomes in respect of those cases. It does give us a bit of an approximation of the extent of particular types of crime in Canada.

• (1645)

Amarjeet Gill: Do you want to answer?

Chief Superintendent Mike Saghbini (Director General, Financial Crime, Royal Canadian Mounted Police): His answer is correct.

Most of it goes through Stats Canada. When it comes to extortion, crimes are reported mainly to the police of jurisdiction. If it's Brampton, it'll be the local police. The stats will be dispersed to different agencies within the province or the country.

Amarjeet Gill: Does the government know where the money from extortion in communities like Brampton is going?

Matthew Taylor: I'm not in a position to answer that.

Certainly, we know generally that criminal groups, criminal organizations, will use funds that they obtain through their illegal activities to fund other criminal activities in order to, obviously, profit from them. We know that any sort of financial crime that generates revenue for criminal organizations will have a negative impact on public safety and will lead to the proliferation of crime more generally.

Amarjeet Gill: As another question, the number of fraud cases reported to police is up by 140% in a decade. Police lay charges less than 10% of the time. Is that because there is no hope for a conviction?

Matthew Taylor: It's difficult for me to say why independent police officers choose to lay charges and how those proceed through the system. Sometimes charges may be withdrawn due to lack of evidence. Sometimes charges may be withdrawn because of an agreement to plead guilty to other charges, so while you may have a specific charge withdrawn in one case, you have a conviction in another case. In other cases, obviously, courts will find individuals guilty or not guilty.

Amarjeet Gill: Do you think we have to find and fill up the gaps that are going to be in this current legislation and make it robust so that people cannot misuse it and police can lay the charges and have more convictions?

Rob Stewart: Absolutely, yes, I do.

Amarjeet Gill: What measurable targets have you established for the agency's investigations, charges, prosecutions and dollars in criminal assets identified or recovered?

Rob Stewart: Targets...?

Amarjeet Gill: I will repeat my question.

What measurable targets have you established for the agency, such as investigations, charges, prosecutions and dollars in criminal assets identified or recovered?

Rob Stewart: The agency does not exist. It will be a first order of business to establish, as per clause 17 of the legislation, the definitions of the crimes the agency will pursue and, in that context, what it expects to achieve in terms of objectives, but at this point in time we have not set targets.

Amarjeet Gill: FINTRAC wrote a special bulletin on extortion targeting the South Asian community. That bulletin says that perpetrators exploit Canada's financial and communication infrastructure.

What gaps did the government create for organized crime to exploit?

Rob Stewart: I beg your pardon, sir...?

Amarjeet Gill: What gaps did the government create that allow organized crime to exploit the system? Did you find any gaps in the system that criminals are exploiting?

Rob Stewart: There are enormous gaps in the system, absolutely.

As I think you well know, sir, fraud, extortion and crimes against individual Canadians and Canadian businesses are on the rise. This is because criminals can freely exploit the telecommunications system, social media and the financial system to contact individuals and lure them into schemes in which they are robbed of their money.

[Translation]

The Chair: Thank you very much. Your time is up.

[English]

We're now moving on to Ms. Lattanzio.

Please go ahead for six minutes.

Patricia Lattanzio (Saint-Léonard—Saint-Michel, Lib.): Thank you, Madam Chair.

Thank you to each one of you for being here today, offering insight and giving us an opportunity to learn more about Bill C-29.

Could officials—any one of you—walk the committee through the prosecution framework of Bill C-29 and explain how clauses 20 to 23, specifically, would operate once the financial crimes agency has investigated an alleged financial crime?

Rob Stewart: I'll go first and then I'll hand it to my colleague from the justice department.

I will just repeat Minister Fraser's suggestion that you bring the director of the Public Prosecution Service before you, because he and his organization will be responsible for operationalizing those sections of the bill, were they to become law.

The reason that these measures have been included in the bill is really the volume of financial crime that we're facing and the need to supplement existing resources and capabilities. In this context, it's envisioned that these measures would be taken when circumstances warrant them, and the particular prosecution—because it's a prosecution, not an investigation, and it's downstream—is beyond the capacity of a Crown at the provincial level. It could be transnational or international in nature. It could be of such a magnitude that we would need a bigger team of people to work on it.

It would be up to the director to interpret circumstances in which the fiat power would be exercised, but the concept that lies behind that fiat power is that it would be used only when it's absolutely necessary and the situation is beyond the capabilities of the existing system. It's not to usurp the existing system.

● (1650)

Matthew Taylor: Thanks for that. I'll just try to supplement it.

I'll just take a step back to maybe anchor it in the definition of “financial crime” and build on what Mr. Stewart has said.

The definition is certainly broad in scope in terms of the investigative authorities that would be provided to the agency. That investigative scope and investigative authority provide a bit of a foundation for the prosecutorial authority. As I think was said in the first hour, none of what is contemplated in the legislation is meant to replace existing jurisdiction in Canada, so provincial prosecutors are still able to prosecute offences, including financial offences. This is an additional tool that, as Mr. Stewart says, allows the Attorney General of Canada to step in and prosecute concurrently—they'll have concurrent jurisdiction—in appropriate cases.

The diversity of experience across Canada will also inform how jurisdiction would unfold in practice were this legislation to be enacted. Smaller jurisdictions with fewer resources may be less able to respond to complex financial investigations and prosecutions, whereas larger jurisdictions have greater resources and greater capacity to do it. It is another tool and another system that is meant to operate in parallel with existing investigation and prosecution frameworks.

Patricia Lattanzio: I'd like to zero in on this fiat mechanism and more specifically on clause 22. What happens legally once a fiat is issued and served on the relevant provincial attorney general?

Matthew Taylor: Again, it operates alongside the jurisdiction that is conferred to the Attorney General of Canada in the legislation. The starting point is concurrent jurisdiction. In many cases, as a matter of practice, prosecution services may be in conversation with one another on which particular service is more appropriately positioned to assume carriage and prosecute a particular case. We understand and expect that this is how things will continue to operate.

The fiat power, as I think was talked about in the first hour, is a tool to enable the Attorney General of Canada and the director of public prosecutions to assume sole responsibility for the prosecution of a financial crime when it has been investigated by the financial crimes agency—an important link—and with regard to some of the factors articulated in terms of the complexity of the investigation, transnationality and whether it crosses multiple jurisdictions.

Patricia Lattanzio: The bill also identifies whether an “offence is transnational”, whether it occurs “in more than one province” and whether it involves “the national interest” as factors that may be considered when deciding when to issue this principle of the fiat.

Why were these factors included, and how were they intended to limit the circumstances in which this authority would be exercised?

Rob Stewart: Those criteria are in the bill, at the request of the director of public prosecutions, to provide some clarity as to the circumstances in which that fiat power might be used. This is so as to not leave open-ended the question of how or when it would be used.

● (1655)

Patricia Lattanzio: To carry this out, what consultation or coordination would you expect to occur between the federal and provincial prosecution services in a case where both would be potentially exercising that prosecutorial authority, particularly before the federal Attorney General considers issuing a fiat? How would you see the consultation coordination between the two?

Rob Stewart: I don't want to speak for the director.

Perhaps Matthew would have more on that subject.

The Chair: Mr. Taylor, we are out of time for Ms. Lattanzio. If you could provide that answer in writing, we'd really appreciate it.

Thank you very much.

[Translation]

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

Rhéal Éloi Fortin: I will gladly take the floor, Madam Chair. Thank you.

Mr. Stewart, clause 3 defines the purpose of the bill. It says:

The object of this Act is to establish a specialized federal law enforcement agency with the capability and expertise necessary to

(a) investigate serious and complex financial crimes;

...

I'll stop the quote there. Do you think that's clear enough for us to understand, so we know what the Financial Crimes Agency is going to do?

Rob Stewart: In my opinion, yes.

First, it should be noted that the agency will be quite small. Someone asked earlier how many people would work for the agency. According to the tax decision, between 200,000 and 250,000—

Rhéal Éloi Fortin: I'm sorry to interrupt.

I understand, but I'm not talking about the size of the agency; I'm talking about its purpose, which is to investigate serious and complex financial crimes. That seems clear enough to you. Is that correct?

Rob Stewart: Yes.

Rhéal Éloi Fortin: Clause 17 reads as follows:

In order to focus the Agency's efforts on serious and complex financial crimes, the Commissioner may establish criteria respecting which matters should be investigated under this Act.

How do you explain that? We are talking about the same crimes we have just determined to be clear. If it's clear, the commissioner should not need to establish criteria, right?

Rob Stewart: I would say that it is necessary for the commissioner to set targets and objectives for the teams.

Rhéal Éloi Fortin: I'm talking about the issues that will have to be investigated and the criteria for determining those issues. That's where I have a problem. I think clause 17 acknowledges that this is not clear. I respectfully suggest that perhaps things should have been clarified in the bill.

The consequence is not insignificant, since this definition allows the Attorney General of Canada to issue a fiat, thus deciding he will have exclusive jurisdiction to prosecute. This is something that seems, on the surface at least, to go against the provisions of the British North America Act, the Constitution of Canada, which determines jurisdiction.

Many financial crimes fall under provincial jurisdiction. I'm sure you won't tell me you think provincial attorneys general are not as competent as the Attorney General of Canada. I won't even ask you the question, because I think we'll agree. They are probably equally competent. In that case, what criteria determine if a serious and complex crime would require the Attorney General of Canada to have exclusive jurisdiction to prosecute? That seems to me to be at the heart of the discussion we had in the first hour, Minister Fraser and I, and to which I can't get a clear answer.

Respectfully—I may be mistaken—I think we're aiming for supranational crimes or crimes committed in several provinces. It would explain why, in those cases, we wouldn't want the attorney general of two or three provinces initiating prosecutions, and we would prefer to proceed at the national level. It could also be crimes committed abroad or across multiple jurisdictions, including other states.

Is that what we're aiming for, or am I missing something?

Rob Stewart: Yes, that is exactly what we are aiming for. We must avoid the dispersion of resources in the system in general, especially when it comes to prosecutors, since not enough of them follow financial crime cases. This is just to strengthen efforts in that regard.

• (1700)

Rhéal Éloi Fortin: What you just added is good to know, because there's something else that has been on my mind since I read Bill C-29. We already have the Financial Transactions and Reports Analysis Centre of Canada, or FINTRAC, and other bodies, such as the Royal Canadian Mounted Police, or RCMP, obviously, that investigate a lot of these issues. A whole range of organizations are

working on this. I wonder if, at some point, that might create a kind of commotion. We can come back to that.

Let's go back to the definition issue. I am not acting in bad faith, and I am not against the bill. I think it's a good idea: It is essential to fight these crimes. However, there is a way to go about it. I wonder if the wording of the bill could be improved, because I think it is essential to define these criteria in the act. We can't tell a commissioner, whose position is created by the act, that they will have to define the criteria for the investigations the agency he heads, and that is also created by the act, will conduct. It's a vicious circle. I think there's a bit of a contradiction there.

Do you agree that these definitions should be clarified in the bill?

Rob Stewart: I hear what you are saying. It is up to the committee to decide if changes need to be made to the bill.

I will ask my colleague Mr. Brazeau if he has anything to add on the subject.

Julien Brazeau (Assistant Deputy Minister, Department of Finance): Thank you for the question.

[English]

The Chair: Be very brief, sir, please.

[Translation]

Julien Brazeau: Once again, we are open to proposals. That said, we also want to avoid having an overly specific formula in the act, given the constantly changing nature of financial crime.

If we tie ourselves to a definition that is too strict, we risk tying the agency's hands and preventing it from investigating certain crimes in real time. That is kind of the flexibility we want it to have. Yes, we want this agency to focus on the most serious financial crimes, but we also want it to be flexible enough to define what those serious crimes are.

Rhéal Éloi Fortin: Thank you, Mr. Brazeau.

The Chair: Thank you, Mr. Fortin.

[English]

We are going to move on to Mr. Lawton for five minutes in our second round.

Please go ahead, sir.

Andrew Lawton: Thank you very much, Madam Chair.

Thank you to the numerous officials we have at the table right now.

I will be starting with you, Mr. Stewart. I want to build off your earlier exchange with Mr. Gill, in that the decision was clearly made to not prescribe the types of financial crimes that are going to be investigated here. You said that if the commissioner is established and the agency is created, then we'll figure out the scope of it.

I'm just a little perplexed because clearly we're trying to solve for a problem here. Why is the scope not something that is already defined? That effectively would justify the creation of the agency.

Rob Stewart: I'll say a couple of things and see if my colleagues want to add.

Picking up on the point that Mr. Brazeau just made, this is a very complex environment, generally speaking. We're talking about criminals who pursue numerous avenues of criminal activity in a very agile and technologically enabled way in the modern era. There is no specifying that "there's this crime with this bunch of people" and "this crime with others." They're all in business and are doing many things, particularly at the organized crime level.

What we foresee here is really trying to look through the criminality at the predicate level to try to figure out where the money is going. That will be the focus of the agency. I did mention that the agency is not going to be very big, so this is very much a team game that we're going to be playing with other authorities. This is how it's going to have to work.

Andrew Lawton: Thank you.

On that note, you alluded to the complexity of crime. Earlier, Mr. Baber was asking about terrorism. In that case, you might be looking at the money aspect, but someone else is going to be looking at the terror aspect of it.

Have we not introduced, now, another point of contention, basically? We're now going to have multiple agencies involved in the same investigation, more so than might already be the case.

• (1705)

Rob Stewart: I think that from my perspective, sir, that's actually a benefit—

Andrew Lawton: That's a feature and not a bug, in your opinion.

Rob Stewart: Yes, exactly. What the agency has the potential to do is to be a hub and, therefore, help the system better understand the challenges we face and help the system organize itself and allocate resources. It won't be up to the agency to take over anybody's business. The RCMP will continue to have a mandate to fight financial crime. It will be about partnerships.

Andrew Lawton: I'll use the OPP as an example because it's the provincial police force in the largest province in Canada. They have the capacity and they do work on financial crimes. If there's an investigation that the OPP is doing and they really want to keep it— for whatever reason—is there anything in this legislation that prevents this new agency from basically swooping in and taking that away from the OPP?

Rob Stewart: Not to my knowledge, in that sense—

Andrew Lawton: Okay. The fiat could be used—

Rob Stewart: That's for prosecutions.

Andrew Lawton: I'm sorry. I mean that the commissioner's discretion on investigation could be used to effectively bigfoot existing police agencies that already feel capable of handling these sorts of matters.

Rob Stewart: I would put it to you, sir, that this is not consistent with the conversations we're having with police forces, who are

looking for help. They're not actually looking to try to retain all the work.

Andrew Lawton: I take note of that. If there's nothing in the legislation that would prevent that, it might be something that as a committee we could look at as an amendment.

Not all financial crimes will be investigated by the financial crimes agency. Is that correct?

I'll let the record show that you nodded there, and I can move on.

Rob Stewart: Yes.

Andrew Lawton: Will the RCMP still have to retain a financial crimes unit to deal with financial crimes that aren't going to be picked up by this new agency?

Rob Stewart: Yes.

If you'd like, my colleague from the RCMP can answer.

Andrew Lawton: Yes, if you could, please, because now we are keeping some of your RCMP work on financial crimes behind. How is this not duplication?

C/Supt Mike Saghbini: In already talking to our colleagues, there will definitely be collaboration there. There are stand-alone things: money laundering and prosecutions, for example. There's the predicate offence, which is the drug dealing or...you're laundering dirty money. There are things that we will continue to be taking on, but there are money-laundering prosecutions where the predicate offence is not linked to organized crime, etc. There's asset recovery. They can work on accelerated asset recovery.

Working with regulators and with different administrative services could allow for more and quicker civil asset forfeitures. I think that's something where we could work in collaboration with the financial crimes agency, even in technological infrastructures, forensic accounting and some of the things that I believe the minister spoke about earlier, where they would deploy experts in accounting, forensic auditing, etc.

It would be a collaboration. I don't think that's taking it all. As you know, we have to work together. That's how I would explain it.

The Chair: Thank you very much.

Thank you, Mr. Lawton.

We're now moving on to Ms. Begum for five minutes.

Doly Begum: Thank you very much, Chair.

Good afternoon, everyone. Thank you so much for being here this afternoon.

I wanted to pick up on something that I asked the ministers previously, because we didn't get enough time to address it. It's about recognizing some of the efforts that our government is putting in place to address the challenges we're facing, especially with all the different types of digital crimes. I mean, I feel like both the industry and the justice committees are now discussing different types of fraud and financial crimes.

The question I asked Minister Anandasangaree was on the collaboration with RCMP leadership, as well as local law enforcement and overseas and other partners. You've come across many challenges. These challenges are why we need to have this bill in place. Would you be able to elaborate on some of the challenges you have come across and, of course, on Bill C-29 and how the FCA will address those challenges?

Rob Stewart: If you were to look at the current environment, you would identify several impediments to effectively pursuing financial crime. The first one is really a skills issue, where you need a very high level of understanding of the business environment and how money is moved through the system, as well as the ability to analyze and diagnose those activities. A reference was made a minute ago to digital or forensic accounting or digital forensics.

We want to use the agency to deepen the capacity of the system to focus on the more serious forms of financial crime, over and above what the RCMP has today. That's a skills issue, and that's existing in other parts of the country as well, because the local police of jurisdiction and even the securities commissions all feel a bit overwhelmed by the challenges they face.

The second issue is the Criminal Code, which kind of favours the charging of predicate crimes. The penalties for predicate crimes tend to be higher than for money laundering, and the sentencing is concurrent. In other words, in building a case to charge financial crime when you can charge the predicate offence and get a conviction faster, there's a disincentive there. This is something that's being examined by the justice department in their review of the criminal justice system.

On the prosecution side of the equation, skills are also an issue, where you have very experienced Crowns at the provincial level but not so experienced ones at the federal level. In fact, most of the work of the PPSC today focuses on drugs. I think that's some 70% of the cases they bring forward. They need to deepen their skill sets and their ability to build cases.

Then, I guess, there's the bar itself, which is not experienced in a lot of financial crimes cases because we haven't charged that many, and many of them get stayed or dropped. That's a body of knowledge and expertise that has to be built over time as well, but as it stands today, it's not as strong as it should be.

• (1710)

Doly Begum: Thank you for that.

Would anyone like to add anything?

C/Supt Mike Saghbini: The one thing to add is that on the prosecution side, I think the vision would be for some embeds to be embedded from PPSC within financial crimes. I think that's extremely important, because what came up in the FATF review was the prosecution.

I think having embeds within financial crimes would be great for the global financial crime world, if you want to call it that.

Doly Begum: Actually, to Mr. Stewart's point, in regard to the increase in money laundering, one thing we tried to address with the provincial governments and in my previous work in bringing forward legislation that helps address it—through FSRA, for example—was that there are gaps in how the two jurisdictions work together.

Are there challenges that we're still facing? Would this agency be able to help look into some of the serious crimes that some of the provinces are not able to address?

Rob Stewart: The fundamental challenge we face across the system is access to information and the willingness and ability to share information. There are guardrails—privacy and PIPEDA in the business community—that have to be respected, but there are circumstances in which information can be and is shared and cases where we've created safe harbour for institutions to share within a framework approved by the Privacy Commissioner.

Building on the capacity to share information, where lawful, is the single most important challenge and objective we have. We want to put the financial crimes agency at the centre of that effort.

The Chair: Thank you very much.

We will now move to Monsieur Fortin for two and a half minutes.

Please go ahead, sir.

[Translation]

Rhéal Éloi Fortin: Thank you, Madam Chair. Two and a half minutes go by quickly.

Mr. Saghbini, I have a few questions for you. There's FINTRAC, which monitors money laundering and terrorist financing. We think it is an important agency or organization. However, FINTRAC does not have the power to prosecute.

Does the RCMP currently work with FINTRAC?

[English]

C/Supt Mike Saghbini: Yes, we currently work very closely with FINTRAC. They have disclosures that they proactively disclose to us. In certain cases, we will request information on certain targets, be it on terrorism, financing or organized crime. It could be a myriad of crimes. We will request information from FINTRAC. FINTRAC will provide it through their channels and we will conduct the investigations.

• (1715)

[Translation]

Rhéal Éloi Fortin: Will the mandate of the agency that is being created encroach on that of FINTRAC? Is there no similarity between the two?

[English]

C/Supt Mike Saghbini: I'll pass that over to our financial crimes agency colleague.

[Translation]

Rhéal Éloi Fortin: Mr. Saghbini, I'm not saying that Mr. Brazeau's opinion isn't important—it is and I'd like to hear it—but I only have two minutes. Do you collaborate with FINTRAC? Are you going to work with the agency in the same way? Wouldn't one encroach on the other?

[English]

C/Supt Mike Saghbini: These are things we'll have to come up with—standard operating procedures to ensure that we're not duplicating work. I think there will be avenues where we will be working directly with FINTRAC on certain things and where we will be working with the financial crimes agency on others. We will—

[Translation]

Rhéal Éloi Fortin: You don't think they are the same thing.

[English]

C/Supt Mike Saghbini: No. The purpose would be not to duplicate. There's enough work for all of us to do that we would like to spread it, but we wouldn't—

[Translation]

Rhéal Éloi Fortin: Thank you, Mr. Saghbini.

Mr. Brazeau, would you like to add to Mr. Saghbini's answer briefly?

Julien Brazeau: Thank you for the question. FINTRAC is an intelligence agency. It gets its information from reporting entities, such as financial institutions. If it finds what it considers suspicious transactions, it passes on the information. FINTRAC will also do compliance work to ensure that reporting entities do their homework. Furthermore, it will use this information to prepare reports, and then those reports will be sent to the entities investigating these crimes. These are really distinct mandates.

Rhéal Éloi Fortin: Okay.

The Chair: Thank you very much.

[English]

Just for the record, Monsieur Fortin, I gave you lots of extra time right now. I hope you'll appreciate it one day.

Rhéal Éloi Fortin: I will appreciate it one day.

Some hon. members: Oh, oh!

The Chair: Thank you.

We'll move to Mr. Baber for five minutes.

Please go ahead.

Roman Baber: Director Saghbini, I want to get the RCMP's perspective on all this. Are you at all concerned that the RCMP will lose oversight over financial crimes?

C/Supt Mike Saghbini: We don't necessarily have an oversight role. As I said, there's room for the RCMP to have our investigations into certain financial crimes. I think there will be a role for the financial crimes agency to do what it is going to do best and to work in collaboration.

Roman Baber: Do you understand what that role is?

C/Supt Mike Saghbini: Do you mean what the financial crimes agency is going to do?

Roman Baber: Yes...versus the RCMP right now.

C/Supt Mike Saghbini: We know a bit of what the mandate will look like, but as to exactly what it will look like, not at this point. I think that would be a better question for the financial crimes agency.

Roman Baber: I think that's a good question for you as well.

Do you really think you need another agency here?

C/Supt Mike Saghbini: It's not for me to decide whether it's best to have another agency. That's for—

Roman Baber: I'm not worried about all the gentlemen and ladies to your left. You and I are having a conversation.

Director, the Auditor General says that the RCMP is short about 3,400 officers. Would you agree with that estimate or the sentiment?

C/Supt Mike Saghbini: To be honest, I don't know about our HR status, so it would be hard for me to comment on that.

Roman Baber: Are you short?

C/Supt Mike Saghbini: On the exact numbers of being short, it's difficult for me to—

Roman Baber: Is the agency not short of officers?

C/Supt Mike Saghbini: I think every government agency is short. I think we are short. We're working, and churning our cadets out of Depot. There are definitely people retiring and people coming through the process.

Roman Baber: Would you agree with me that this shortage affects the RCMP's ability to police financial crimes?

C/Supt Mike Saghbini: I think it affects us in a lot of aspects, not just financial crime.

Roman Baber: It's all types of crime.

C/Supt Mike Saghbini: We're short everywhere.

Roman Baber: Wouldn't it make sense to beef up your agency, and specifically your department?

C/Supt Mike Saghbini: That's an HR question and for HR to answer.

Roman Baber: I think that's a government policy question, but all right.

I'll go now to Mr. Stewart, who I understand is the deputy minister in charge of this project.

Mr. Stewart, you have the provincial forces. You have all the securities regulators. You have the Office of the Superintendent of Financial Institutions. You have the Canadian anti-fraud centre. You have FINTRAC. Then you have the federal policing units, such as the integrated money-laundering investigative teams. You have the financial crime coordination centre. You have the integrated market enforcement teams. Then you have the federal serious and organized crime unit to—I think—coordinate all these people.

Now you're coming before all of us and telling us that we need yet another agency.

• (1720)

Rob Stewart: Sir, I did not make the decision to put this agency in place, but what I can tell you is that, from my perspective, it's warranted. It goes back to my answer to Ms. Begum. At the moment, the system lacks the capabilities necessary to address the most complex forms of financial crime.

With all due regard for the RCMP, they are stretched thin. I think that shortage of officers is more on the contract policing side than it is on the federal policing side, to be clear, but federal policing is short resources. They're stretched thin. They have to cover a lot of ground, such as national security issues and all those things, and personal protection for people.

Roman Baber: Are you taking away the financial crimes mandate of the RCMP?

Rob Stewart: No, we're supplementing it.

Roman Baber: How are you going to not end up with duplication? You can't even figure out jurisdiction among yourselves.

Rob Stewart: You know, I think we can do this. I think we can. I'll tell you why we can do this. The commissioner of the agency ultimately will define its objective function and what it's going to do. I'm telling you today that the vision we have for this agency is that it will work hand in glove with other agencies. It's not going to usurp anybody. It's going to be partnerships.

Then there are capabilities that the RCMP has that the 200 people in the agency will never have. All these sophisticated skill sets, like covert operations and wiretapping, are skill sets that we're going to work with the RCMP to deliver.

Roman Baber: I don't understand why we're unable to beef up the RCMP. I don't understand why we can't integrate that talent into the RCMP, but I am concerned with the fact that the mandate and the jurisdiction have not been defined. In my view, respectfully, that should not be done by cabinet and that should not be done by the department. Oversight on jurisdiction is something that parliamentarians are vested in. We should be able to define that jurisdiction as we examine this legislation. Do you not suppose so?

The Chair: I wish you had left more time for them to answer the question, but unfortunately we are out of time for you, Mr. Baber.

We're now moving on to Mr. Chang for five minutes.

Please go ahead.

Wade Chang (Burnaby Central, Lib.): Thank you, Madam Chair.

Financial crime is becoming increasingly complex, organized and international. Canadians are feeling this impact directly every day. I want to begin by thanking the government for bringing forward Bill C-29 and for taking action to strengthen Canada's response to serious financial crimes.

Mr. Taylor, financial crime cases can involve highly technical evidence and multiple jurisdictions. What specialized expertise will prosecutors need to deal effectively with serious, complex cases like this agency will deal with?

Matthew Taylor: I think what prosecutors need is to ensure that there are robust investigative tools in order to collect evidence, and they need to be able to work directly with law enforcement to support the marshalling of that evidence in order to advance successful prosecutions. At the end of the day, a prosecutor's responsibility is to make submissions to demonstrate that a particular individual has committed the crime they've been alleged to have committed. I think your question is really more focused on the investigative side and on having the resources and the capacity within the system as a whole to be able to go after financial crimes in a more effective manner.

Wade Chang: Thank you.

Deputy Minister Stewart, financial crime networks operate across borders. How would this new agency strengthen Canada's ability to share intelligence and coordinate investigations with international law enforcement partners?

Rob Stewart: We foresee the agency being brought into the institutional frameworks that exist today within the Five Eyes, the G7 and other country groupings that the RCMP is already a member of, and, again, supplementing the awareness, the understanding and the analytical capability that exists in the system today to bring more information to the table and be a better collaborator.

Wade Chang: Thank you.

How would establishing a dedicated financial crimes agency strengthen Canada's position as a trusted partner in the global fight against money laundering, fraud and organized financial crime?

• (1725)

Rob Stewart: You may be aware, sir, of the recent publication of an evaluation by the Financial Action Task Force that encouraged Canada to do better in terms of investigating and prosecuting serious, complex crime. Again, a specialized agency would, by definition, in terms of its capabilities, if properly built, help us to do that.

Wade Chang: Thank you.

Mr. Brazeau, in 2024 alone, the Canadian anti-fraud centre reported that Canadians lost \$643 million to fraud, a nearly 300% increase since 2020. What is driving this significant increase, and what does this tell us about how financial crime is evolving in Canada?

Julien Brazeau: There is no doubt that fraud has become an increasing issue. Seldom does a day go by that we don't get a call about fraud. The ability that criminals have of leveraging things like social media platforms, as well as telecoms, in terms of perpetrating crimes and being able to access people wherever they are has really led to an increase in frauds. Serious frauds are certainly part of the focus of this initiative, but I should say as well that the Department of Finance is doing work at the moment and consulting on a broader anti-fraud strategy aimed specifically at this burgeoning issue of frauds and scams that are affecting Canadians.

Wade Chang: Thank you.

As financial crime is becoming increasingly international, how are our G7 and OECD partners responding?

Julien Brazeau: It's a focus of all G7 countries. When Canada had the presidency of the G7, the Minister of Finance put forward a call for action on transnational crime and financial crime.

Criminals are really intelligent people. They look at weaknesses in our respective systems and jurisdictions, and they exploit those. Canada recently came out of a mutual evaluation that said our sys-

tem was "robust" but still needed improvement. Other countries are going through that same evaluation process. We are all still playing catch-up on things like beneficial ownership and other mechanisms through which we can try to address the transnational nature of these crimes.

Wade Chang: Thank you.

The Chair: Thank you very much. That concludes your time, Mr. Chang.

At this point, seeing the time on the clock, I want to say thank you to all of our witnesses for your very thoughtful contributions to the deliberation of Bill C-29 today.

I just want to make a comment, Mr. Westmacott. I'm not sure if anybody has ever told you that you look exactly like Secretary of State Wayne Long.

Voices: Oh, oh!

Chad Westmacott (Director General, Serious and Organized Crime, Department of Public Safety and Emergency Preparedness): Someone has mentioned that before, yes.

The Chair: Thank you very much, all of you.

Before we adjourn, I just want to go over the schedule for the next couple of weeks if that's okay, members. Give me a couple of minutes here.

In the next few weeks, October 8, October 19 and October 22 will be dedicated to witnesses. I know that a number of members have raised this concern, and I want to note that we want to make sure the Minister of Finance is going to be here at committee. We are working with him and his office to find that time. He will be here before clause-by-clause. I'm proposing October 26 and October 29 for clause-by-clause.

I will be reaching out to all of you through the clerk in terms of scheduling deadlines for when amendments or proposed amendments will be due. Other than that—

Ms. Gladu, please go ahead. Do you have a question?

Marilyn Gladu: I have a motion to approve the budget for the Bill C-29 study.

The Chair: I was going to get to that. Thank you. I appreciate that.

We have a motion to approve the budget for Bill C-29. You all have received that in your emails.

(Motion agreed to)

The Chair: All right. That is the conclusion of our committee meeting today.

Our meeting is adjourned.

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