



STOP SNOW WASHING

What is Snow Washing?

When companies use legitimate Canadian investments like real estate to ‘clean’ dirty money (money made in criminal activity), it is called *snow washing*. Canada has become an international destination for setting up secret companies and properties to “snow wash” illicit funds from all over the world. It is easier to set up a secret company than it is to get a library card!¹ This is because in Canada, the true owners of companies and

Housing bubbles in Vancouver and Toronto are allegedly being fuelled in part because of secret owners who buy properties to launder money.

properties can remain entirely anonymous – their identities can be concealed even from the government agencies entrusted with enforcing laws. This makes it easy for criminals to launder money in Canada and makes it hard for law enforcement, tax authorities, and financial institutions to enforce Canada’s existing anti-

money laundering laws.

A study by Transparency International Canada found that 25% of the wealthiest mansions in Vancouver sold last year were owned by ‘nominees,’ particularly “students.”² Furthermore, the RCMP estimates that up to 15 billion dollars of illegal drug trade and terrorist financing is laundered in Canada each year.³

¹ <https://www.economist.com/news/business/21734034-identity-checks-obtain-library-card-are-more-onerous-those-form-private>

² <http://vancouver.sun.com/opinion/columnists/douglas-todd-vancouver-is-a-money-laundering-haven>

³ <https://www.statcan.gc.ca/pub/85-005-x/2011001/article/11454-eng.htm>

What should Canada do?

Canada can create a publicly accessible, centralized, registry of true (e.g, beneficial) owners of companies in an open, searchable format. This would serve as a deterrent to criminals and would facilitate access to this on behalf of law enforcement, financial institutions, civil society, and journalists.

Currently, the UK has a publicly accessible registry and all 28 EU member states have recently committed to a public registry of beneficial owners of companies. Canada needs to catch up!

How you can take action:

- Send a tweet to Bill Morneau and say that you want to stop #snowwashing.
- Write to your local MP and tell them you want Canada to catch up with the EU and adopt a publicly accessible registry of beneficial owners of companies.
- Join Canadians For Tax Fairness mailing list to stay tuned for our campaign updates.

#snowwashing