

Commission counsel's outline of issues

Introduction

This document has been prepared by commission counsel in response to directions provided in the Commissioner's Ruling 32.

In Ruling #32, the Commissioner wrote:

[119] Accordingly, for the reasons I have given, I decline to make the order sought by GCGC, Mr. Desmarais and Mr. Kroeker requiring Commission counsel to serve and file closing submissions in relation to all participants.

[120] Although I have declined to make the specific orders sought by Mr. Desmarais and Mr. Kroeker and by GCGC, I accept that GCGC's interests are broader than those participants whose status is limited to issues relating to their personal conduct. I also accept that there are other participants whose interests are similarly engaged by broader issues than simply their past conduct. In those circumstances, I accept that it would be beneficial to the orderly presentation of closing submissions to have Commission counsel provide an outline of the issues which they regard as necessary to be addressed in the final report. The form and length of the outline should be flexible and it should not address any potential findings of misconduct or express any opinion on factual findings.

[121] Commission counsel's outline will not limit what submissions participants choose to make so far as it falls within their grant of participant status, nor will it confine the matters which may be addressed in the final report. To be useful, the outline of issues should be filed and served before final submissions. I therefore direct that it be completed, filed and served on or before May 28, 2021.

[Emphasis added.]

The modest aim of this document is to provide such an outline of potential issues, with a view to assisting participants in preparing their closing submissions to the Commissioner.

As noted at para. 121 of Ruling #32, this outline of issues does not limit what participants may address in their closing submissions. Equally, it does not constrain what the Commissioner may address in the final report. As such, participants' submissions, while being mindful of the issues identified by commission counsel, should address issues and topics which they identify as significant regardless of whether they are identified in this document. Nothing in this document is intended or should be taken as commission counsel expressing any view on any issue or any fact that should or should not be found. The inclusion of (or failure to include) a topic in this outline does not reflect any conclusion by commission counsel or the Commissioner that a given topic should or should not be addressed in the final report.

While topics and issues have, for convenience, been organized below under subject matter headings (in roughly the order they were addressed in the hearings), there is obviously cross-over between the topics and there will be topics in one section that are relevant to other sectors.

General: the terms of reference

The starting point for considering what issues fall to be addressed in the final report is, of course, the terms of reference for the commission. While we have not attempted to reproduce the language of the terms of reference in each section below, participants will understand that the Commissioner will be considering all evidence before him through the lens of the commission's terms of reference and should direct their submissions accordingly.

4. Terms of reference

1. The terms of reference of the commission are to conduct hearings and make findings of fact respecting money laundering in British Columbia, including the following:

a. the extent, growth, evolution and methods of money laundering in the following sectors:

i. gaming and horse racing;

ii. real estate;

iii. financial institution and money service, including unregulated entities and persons who provide banking-like services;

iv. corporate, in relation to the use of shell companies, trusts, securities and financial instruments for the purposes of money laundering;

v. luxury goods;

vi. professional service, including legal and accounting;

b. the acts or omissions of regulatory authorities or individuals with powers, duties or functions in respect of the sectors referred to in paragraph (a), or any other relevant sector, to determine whether those acts or omissions have contributed to money laundering in British Columbia and whether those acts or omissions have amounted to corruption;

- c. the scope and effectiveness of the powers, duties and functions exercised or carried out by the regulatory authorities or individuals referred to in paragraph (b);
- d. the barriers to effective law enforcement respecting money laundering in British Columbia.

2. Further terms of reference of the commission are as follows:

a. to make recommendations the commission considers necessary and advisable, including recommendations respecting the following:

- i. the regulation of the sectors referred to in subsection (1) (a) or any other relevant sector;
- ii. the acts or omissions referred to in subsection (1) (b);
- iii. the powers, duties and functions referred to in subsection (1) (c);
- iv. the barriers referred to in subsection (1) (d);

b. to review and take into consideration the following reports:

1. *Dirty Money: An Independent Review of Money Laundering in Lower Mainland Casinos* conducted for the Attorney General of British Columbia, Peter M. German, Q.C., March 31, 2018;

2. *Vancouver at Risk—Turning the Tide—An Independent Review of Money Laundering in B.C. Real Estate, Luxury Vehicle Sales & Horse Racing*, Peter M. German, Q.C., March 31, 2019;

3. *Real Estate Regulatory Structure Review* (2018), Dan Perrin;

4. *Combatting Money Laundering in BC Real Estate*, Maureen Maloney, Tsur Somerville and Brigitte Unger, March 31, 2019;

c. to submit to the Attorney General and the Minister of Finance

- 1. an interim report on or before the date that is 18 months after the date this order is made, and
- 2. a final report on or before December 15, 2021.

3. The commission is to carry out the inquiry in such a way as to ensure the inquiry does not jeopardize any ongoing criminal investigation or proceeding.

4. The commission may not inquire into any matter respecting the exercise of prosecutorial discretion.

Gaming

1. During the period of time addressed by the evidence before the Commissioner, were illicit funds laundered directly through British Columbia casinos?
2. During the time period addressed by the evidence before the commissioner were British Columbia casinos used to facilitate the laundering of illicit funds?
3. During the time period addressed by the evidence before the commissioner were illicit funds received by British Columbia casinos?
4. To the extent there was a risk that illicit funds were being received by British Columbia casinos and/or that British Columbia casinos were being used to launder or facilitate the laundering of illicit funds, were there sufficient indicators such that this risk was reasonably identifiable by industry actors, including but not limited to Gaming Service Providers, BCLC, GPEB, Government, law enforcement and individuals with relevant duties and responsibilities in these organizations (“Industry Actors”). If so, when.
5. To the extent there were indicators that British Columbia casinos were receiving illicit funds and or being used to launder or facilitate the laundering of illicit funds, to what extent and when were these indicators and risks identified by industry actors.
6. What conclusions, if any, can be drawn about the source of the funds contained in the many large cash buy-ins received at lower mainland casinos.
7. To the extent British Columbia casinos were used to launder or facilitate the laundering of illicit funds, what was the extent, growth, evolution and methods of that money laundering.
8. What does the evidence suggest about money laundering and the risk of money laundering in the British Columbia gaming industry in areas other than casinos (such as horse racing, online gaming and lottery).
9. If British Columbia casinos were receiving illicit funds and or being used to launder or facilitate the laundering of illicit funds, or there was a risk of this activity, what powers, duties or functions did each industry actor have in respect of this activity or risk?

10. If British Columbia casinos were receiving illicit funds and or being used to launder or facilitate the laundering of illicit funds, or there was a risk of this activity, how did actions or omission on the part of Industry Actors impact extent, growth, evolution and methods of such activity or risk, for example, by way of the following non-exhaustive list of considerations:

- Approach to presence of loan sharks and/or cash facilitators operating in and around gaming facilities
- Approach to large and/or suspicious cash buy ins
- Approach to acceptance of cash known, believed, or suspected to have been supplied by loan sharks or cash facilitators
- Changes to the gaming industry in the 1990s
- Changes to province-wide maximum bet limits and decision-making regarding permitting betting up to those limits in individual facilities
- Organization or operation of law enforcement
- Expansion of gaming facilities and development of VIP programs
- Regulatory and law enforcement oversight of such changes
- Allocation of resources and specifically resources allocated to AML measures
- Cash alternatives and Cash Alternative programs
- AML programs
- Communications between actors in the industry
- Termination of employees
- Information sharing agreements and/or their interruption
- Reporting thresholds
- Chip swap and/or its delay
- Risk tolerance (for example, with reference to standard of proof of ML or risk of ML activity before certain actions would be taken)

- Reporting to regulatory authorities or individuals with powers, duties or functions to address risk, vulnerabilities or unlawful action
 - Direction given by superiors to those with AML duties or functions, by way of non-exhaustive, illustrative example:
 - Directions respecting speaking patrons
 - Directions regarding dealing with cash facilitators
 - Directions respecting the enforcement of cash conditions
 - Directions respecting the manner in which investigations should be conducted
 - Directions respecting suspicious transactions including thresholds and denominations
 - Directions for respecting communicating with other organizations
 - Directions respecting the production of briefing notes
11. Did relationships internal to each industry actor or between industry actors enhance, prevent, hinder, or positively or adversely affected the exercise of their respective powers, duties or functions?
 12. Was the response of each industry actor commensurate with the identified and/or identifiable risks, vulnerabilities or activity?
 13. To what extent was the response of each industry actor effective to combat money laundering activity and risk?
 14. To the extent the response(s) of industry actors was insufficient or ineffective at combatting money laundering activity or mitigating the risk of such activity:
 - a. What additional or alternative steps should and/or could each industry actor have taken to address the activity or risk?
 - b. By way of non-exhaustive, illustrative example:
 - Whether suggestions for reform were made that were not implemented and whether suggestions were feasible having regard to the existing statutory framework, approach to risk, and existing resources?

- Whether legislative amendment was needed?
 - Whether any entity required more resources?
 - Whether any entity required more or better training?
 - Whether structural changes were needed (e.g. to separate responsibility for the regulator and the operator, an inter-industry regulatory investigative body, etc)?
 - Whether earlier implementation of measures was needed (e.g. customer due diligence, player interviews, cash alternatives, cash conditions, player bans, source of funds, criminal investigations, establishment of inter-agency task force, de-risking MSBs, termination of employees etc.)?
 - Whether additional measures were needed (e.g. cash caps, known play; introduction of cashless gaming, access to credit, a Ministerial directive, a public interest standard, facial recognition technology, refusal of suspicious cash transactions, limits on bank drafts etc.)?
15. What impact, if any, did the German recommendations have on the receipt of illicit funds, money laundering activity or the risk of such activity in British Columbia casinos and the British Columbia gaming industry more generally?
 16. What is the current level of money laundering related activity or risk of or vulnerability to such activity in the gaming industry in British Columbia?
 17. If money laundering activity or the risk of it remains, what further steps are required to address such activity or risk?

Professionals

Legal Professionals

18. Are legal professionals exposed to money laundering risks and, if so, what is the nature and extent of those risks?
19. What evidence is there that legal professionals have been involved in or facilitated money laundering in British Columbia?
20. Has the self-regulatory response of the Law Society of British Columbia (LSBC) to address the risk of money laundering involving the legal professionals been

sufficient? Should the responsibility fall exclusively to the LSBC, or does government have a role to play?

21. Does the exclusion of legal professionals from the FINTRAC reporting regime impede British Columbia's ability to effectively combat money laundering and, if so, what if anything should be done to address that impediment (e.g. should a constitutionally compliant reporting regime be pursued, possibly outside the framework of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*, S.C. 2000, c. 17 (PCMLTFA))?
22. What if any additional measures should be considered to more effectively address the risks of money laundering involving legal professionals in British Columbia?
For example:
 - a. are the LSBC's current anti-money laundering rules (e.g. the "no cash" rule, consumer identification and verification rules, and trust accounting rules) sufficiently robust?
 - b. is LSBC's monitoring and enforcement of its anti-money laundering rules sufficiently robust?
 - c. are the resources dedicated by LSBC to monitoring and enforcing compliance with its anti-money laundering rules adequate?
 - d. should mandatory anti-money laundering education for legal professionals be implemented, either generally or in higher risk practice areas?
 - e. should lawyers and firms be required to adopt UK-style anti-money laundering risk assessments, anti-money laundering policies, anti-money laundering compliance officers / responsible lawyers, etc.?
 - f. is the current level of information sharing and referrals between LSBC, law enforcement and other AML stakeholders adequate and, if not, what should be done to improve it?
 - g. should LSBC have an express anti-money laundering mandate?
23. What constitutional questions (for example, under the *Charter of Rights and Freedoms*) arise or may arise out of the evidence led or potential recommendations in this sector?

24. What privacy issues arise or may arise out of the evidence led or potential recommendations in this sector?

Accountants

25. Are accountants (including Chartered Professional Accountants (CPAs) and unregulated accountants) exposed to money laundering risks and, if so, what is the nature and extent of those risks?
26. What evidence is there that accountants have been involved in or facilitated money laundering in British Columbia?
27. What are the levels of suspicious transaction reporting from professional accountants to FINTRAC under the *PCMLTFA*, and what are the reasons for and significance of those levels of reporting?
28. What has been the response of the Chartered Professional Accountants of British Columbia (CPABC) to address the risks of money laundering through professional accountants?
 - a. Has that response been adequate?
 - b. Should CPABC be given an express anti-money laundering mandate?
29. What measures, if any, should be taken to implement greater provincial oversight of regulated accountants' activities as they relate to anti-money laundering in British Columbia?
30. What measures, if any, should be taken to monitor and address the risks of money laundering by unregulated accountants in British Columbia?
31. What constitutional questions (for example, under the *Charter of Rights and Freedoms*) arise or may arise out of the evidence led or potential recommendations in this sector?
32. What privacy issues arise or may arise out of the evidence led or potential recommendations in this sector?

Virtual Assets

33. What are the money laundering vulnerabilities associated with virtual assets? For example:

- a. Does lack of access to traditional banking services by virtual assets service providers (“VASP’s”) increase the risk of money laundering?
 - b. Are “over the counter” (OTC) brokers particularly vulnerable to fraud and money laundering?
 - c. Do Bitcoin (or other virtual currency) ATM’s pose a serious risk of money laundering?
34. Does the prevalence of virtual currencies impact the availability of professional money laundering services?
35. What regulatory and legislative factors contribute to the vulnerability of money laundering through virtual assets?
36. What steps should be taken to address money laundering risks and vulnerabilities related to the use of virtual assets, and the services provided by VASP’s? For example:
 - a. Should BC consider legislative amendments to encourage access to established financial institutions by VASP’s?
 - b. What is the appropriate regulatory agency to oversee VASP’s? Are legislative amendments necessary to empower an existing agency to oversee VASPs?
 - c. Are legislative or regulatory measures targeted at OTC brokers required in order to address that vulnerability?
 - d. Should BC enact legislation limiting the use of privacy coins?
 - e. Should bitcoin ATM operators be subject to enhanced regulatory scrutiny?
 - f. Are there any legislative or other measures available to BC to address the connection between virtual assets and the dark web?
 - g. Should VASPs be included in any provincial registry of money services businesses?
37. Are law enforcement agencies in BC adequately constituted, trained, and staffed to trace virtual assets?

38. Does the use of third-party service providers like Chainalysis and Ciphertrace by law enforcement raise privacy or liberty concerns? Can those concerns (if so how) be addressed while still effectively combatting money laundering by way of virtual assets?

Corporate

39. How are corporations and other forms of legal personhood (e.g. trusts) used to facilitate money laundering?
40. How does the level of risk or vulnerability compare between the various forms of legal personhood?
41. How can government address the misuse of corporations and other forms of legal personhood to facilitate money laundering?
42. How can government ensure that any response is proportionate to the risks posed by various forms of legal personhood?
43. Should the Province of British Columbia implement a beneficial ownership registry to address the misuse of certain forms of legal personhood?
44. If the Province of British Columbia implements a beneficial ownership registry, how should such a registry be designed? For example:
- a. should it be publicly accessible;
 - b. what information should it contain and make publicly accessible;
 - c. what is the appropriate ownership threshold for disclosure;
 - d. what, if any, types of legal personhood beyond corporations should the registry include (e.g. trusts, partnerships);
 - e. what validation and verification measures should be implemented;
 - f. should fees be charged to access the registry;
 - g. how should privacy concerns be addressed;
 - h. should obligations to ensure the accuracy of data in the registry and report any discrepancies be extended to entities and professionals (e.g. lawyers, financial institutions, accountants);

- i. what data format should be adopted; and,
 - j. what sanctions for non-compliance should be implemented.
45. How can the Province of British Columbia ensure sufficient harmonization between any provincial-based corporate registry and those proposed or implemented by provincial and federal counterparts?
 46. Should the Province of British Columbia consider a legal requirement that a corporation incorporated under the British Columbia *Business Corporations Act*, S.B.C. 2002, c. 57 have a Canadian domiciled person (or resident) as one of its directors?
 47. What has been the response of BC Registries to the risk of money laundering through forms of legal personhood, and what can government do to strengthen its ability to address the misuse of forms of legal personhood in British Columbia?
 48. What constitutional questions (for example, under the *Charter of Rights and Freedoms*) arise or may arise out of the evidence led or potential recommendations in this sector?
 49. What privacy issues arise or may arise out of the evidence led or potential recommendations in this sector?

Quantification

50. What are the challenges in quantifying the extent of money laundering in British Columbia?
51. If money laundering is inherently secretive and difficult to quantify, is it nonetheless worth attempting to quantify?
52. Of the currently available methods of measuring money laundering, such as the Walker/Unger gravity model, which, is preferable?
53. Should estimates of the volume of money laundering be used to inform policy? If yes, how?
54. Based on the available evidence what conclusions can be drawn about the extent to which criminal funds are laundered through the British Columbia economy?

55. Are there factors or conditions unique to British Columbia that make it more conducive to money laundering than other jurisdictions within and outside of Canada?
56. What policy objectives could be advanced or achieved through an assessment of the quantity of proceeds of crime that are laundered in BC, and are those objectives sufficiently imperative to warrant further research?
57. What form should that further research take?
58. Does the mandatory collection of beneficial ownership information lead to a decrease in the purchase of property by legal persons as nominee owners? What do the results of this question say in terms of the usefulness of collecting and making publicly available the beneficial ownership data of real property in BC?

Asset Forfeiture

59. How effective is asset forfeiture as a means of addressing money laundering and how prominent a role should asset forfeiture play in British Columbia's anti-money laundering efforts relative to law enforcement, regulatory and other approaches?
60. What impact has the introduction of and amendments to the *Civil Forfeiture Act*, S.B.C. 2005, c. 29 and other asset forfeiture-related legislation had on the extent, growth, evolution and methods of money laundering in British Columbia?
61. Would amendments to the *Civil Forfeiture Act* or other asset forfeiture-related legislation, including but not limited to the introduction of unexplained wealth orders, as available in the United Kingdom or Australia or as proposed in Manitoba, further British Columbia's efforts to forfeit the proceeds of crime and combat money laundering?
62. Would changes to the manner in which the *Civil Forfeiture Act* and other asset forfeiture-related legislation are administered advance efforts to forfeit the proceeds of crime and combat money laundering in British Columbia?
63. Would changes to the structure, staffing or resources of the British Columbia Civil Forfeiture Office or other bodies with a mandate to seek forfeiture of criminal assets, including but not limited to expanded investigative capacity, further efforts to combat money laundering and forfeit the proceeds of crime?

64. Would changes to the relationship between the British Columbia Civil Forfeiture Office and law enforcement agencies in British Columbia further efforts to combat money laundering and forfeit the proceeds of crime?
65. Would the creation of an investigative body dedicated to asset forfeiture investigations further efforts to combat money laundering and forfeit the proceeds of crime?
66. Would mandating or encouraging existing law enforcement agencies to include in their investigations the identification of assets that may be subject to forfeiture further efforts to combat money laundering and forfeit the proceeds of crime?
67. To the extent that legislative changes, the creation of new agencies or bodies or changes to the structure, resourcing, staffing, mandate or relationships of any existing agencies or bodies would advance efforts to combat money laundering or forfeit the proceeds of crime through asset forfeiture, what, if any, issues related to constitutional compliance, privacy and property rights, due process and civil liberties should guide the Commissioner's deliberation regarding recommendations in this area?

Trade-Based Money Laundering (TBML)

68. How is trade used to facilitate money laundering?
69. Is there a risk, a vulnerability or actual trade-based money laundering occurring in British Columbia? If so, what is the nature and extent of the risk, vulnerability or activity?
70. What is the current level of reporting under anti-money laundering legislation, such as reports made to FINTRAC under the *PCMLTFA*, or records collected pursuant to other legislation, related to domestic and/or international trade? To what degree is the information in those reports, for example, but not limited to, suspicious transaction reports and cross-border currency reports, or records collected, for example, but not limited to, trade finance data and reports, shared with provincial and federal anti-money laundering stakeholders? Are there barriers to effective information sharing? If so, what are they, and what tools, legislative or otherwise, might address those barriers?
71. What acts or omissions of law enforcement, regulatory authorities or individuals with powers, duties or functions in respect of the risk of trade-based money laundering or trade in British Columbia have impacted (in a positive or negative

way) on the risk, vulnerability or occurrence of trade-based money laundering in British Columbia?

72. Have the measures taken been commensurate with the risk of trade-based money laundering? Have the measures taken been effective?
73. Are there barriers to effective law enforcement respecting trade-based money laundering? If so, what are they and how can they be addressed?
74. Are further measures to combat trade-based money laundering in British Columbia advisable? What should those measures be? For example, should any of the following non-exhaustive possible measures be explored or adopted:
 - a. The establishment of a trade transparency unit (TTU);
 - b. Better utilizing trade data and the identification of anomalies;
 - c. Further study of emerging threats (i.e. service-based money laundering, trade finance);
 - d. A regulatory or enforcement regime dedicated to combat trade-based money laundering.
75. What impact, if any, does the division of powers or the *Charter* have on the ability of British Columbia to combat trade-based money laundering within the province?

Financial Institutions

76. What role do financial institutions play in combatting and facilitating money laundering in the Province of British Columbia?
77. What level of resources are expended by financial institutions to combat money laundering in British Columbia? Is that sufficient and proportionate to the threats posed by money laundering through financial institutions?
78. What is the current state of information sharing between and among government, regulatory bodies overseeing financial institutions in the province, and financial institutions operating in the province?
79. What barriers exist with respect to effective information sharing, and what tools, legislative changes, or other mechanisms or initiatives, can address those barriers?

80. What has been the impact of public-private information sharing partnerships to date in British Columbia and Canada, including Project ATHENA / CIFA-BC?
81. Was the response of financial institutions to information generated by Project ATHENA about the misuse of bank drafts to launder money through British Columbia casinos adequate?
82. What need is there in British Columbia for public-private information sharing partnerships, and how should such partnerships be implemented most effectively?
83. What is the need for an overarching British Columbia-based anti-money laundering regulator of financial institutions? What entity should be responsible for acting as the anti-money laundering regulator of BC-based financial institutions?
84. What rules, regulations, or policies might better assist British Columbia regulators in understanding the anti-money laundering landscape, and enforcing obligations, with respect to financial institutions operating in the province?
85. What is the threat with respect to money laundering posed by money services businesses, what has been the response of government to address the threat, and how might the regime be improved?
86. What is the threat with respect to money laundering posed by white-label ATMs, what has been the response of government to address the threat, and how might the regime be improved?
87. What constitutional questions (for example, under the *Charter of Rights and Freedoms*) arise or may arise out of the evidence led or potential recommendations in this sector?
88. What privacy issues arise or may arise out of the evidence led or potential recommendations in this sector?

Real Estate

Vulnerability to Money Laundering

89. Is the real estate sector in British Columbia vulnerable to money laundering?
90. What are the vulnerabilities to money laundering in the real estate sector?
91. What is the evidence that money laundering is or could be occurring through British Columbia real estate?

Money Laundering and Real Estate Values

92. Is there evidence that real estate prices are being affected money laundering in British Columbia? If so, to what extent?
93. Has there been a conflation of money laundering and foreign investment in public discourse around real estate values in British Columbia?
94. Has the discussion around money laundering and foreign investment in real estate given rise to issues of bias, in particular on the basis of race or national origin?
95. Are there measures that can be taken to avoid/mitigate discrimination on the basis of race and national origin while taking steps to address money laundering in the real estate sector?

Regulatory Framework

96. Is the existing regulatory framework for actors in the real estate sector in British Columbia adequate to address vulnerabilities to money laundering?
97. Do the regulators of actors in the real estate industry in BC, namely BCFSA, OSRE and the RECBC, have adequate resources and training to address issues of money laundering in the real estate sector?
98. If not, what further resources and training are required to address issues of money laundering in the real estate sector?
99. What, if any, legislative and/or regulatory amendments to the *Real Estate Services Act*, SBC 2004 c. 42, the *Mortgage Brokers Act*, RSBC 1996 c. 313, and the *Financial Services Authority Act*, SBC 2019 c. 14, are required to better address the real estate sector's vulnerability to money laundering?
100. Would giving the regulator(s) an express AML mandate assist in terms of allowing them to focus existing resources on measures that would combat money laundering in the real estate sector? If so, what shape should that mandate take?
101. Do the regulators of actors in the real estate industry have adequate access to information that would allow them to proactively detect and address potential money laundering through real estate?
102. What further access to information would be required to allow these entities to proactively detect and address potential money laundering through real estate?

Industry Groups

103. Are industry groups, such as the BCREA, REBA and the CMBA-BC, adequately informed with respect to their respective sectors' vulnerability to money laundering, and able to provide education and guidance to their members with respect to money laundering matters?

Mortgage Brokers

104. Are mortgage brokers subject to money laundering risks, and if so, what is the nature and extent of these risks?
105. If there are such risks, would imposing AML due diligence and reporting requirements on mortgage brokers assist in addressing them?
106. Would amendments to the *Mortgage Brokers Act* assist in addressing these risks. If so, what specific amendments are required?
107. If AML due diligence or reporting requirements are imposed on mortgage brokers, what is the regulatory body best equipped to oversee such obligations?
108. Are mortgage brokers subject to sufficient oversight by the Registrar of Mortgage Brokers to allow for the detection of activity that could constitute fraud or enable money laundering?
109. Do mortgage brokers receive adequate education about the risks of money laundering in real estate?
110. Are mortgage brokers subject to adequate penalties/consequences for conduct that enables or increases the risk of money laundering?
111. Is there a need for mortgage lending transactions, identifying any brokers involved, to be recorded in either a private or a publicly accessible database?

Real Estate Licensees and Mortgage Brokers

112. Should real estate licensees be required to conduct and record due diligence in respect of referrals made to mortgage brokers?
113. Should real estate licensees be required to document and disclose referrals to mortgage brokers?

114. Should mortgage brokers be required to document and disclose referrals to real estate licensees?

FINTRAC Relationships with Industry

115. Does FINTRAC provide adequate outreach and education to real estate professionals in British Columbia with respect to their reporting obligations?

116. Do real estate professionals in British Columbia adequately appreciate their role in the AML regime?

117. How can BC real estate regulators and industry associations better coordinate with FINTRAC to conduct effective outreach to and support of real estate professionals?

118. What further steps could BC real estate industry associations take to ensure their members are adequately informed with respect to their anti-money laundering obligations?

LTSA and Courts

119. Is the land titles system vulnerable to abuse by money launderers? If so what are those vulnerabilities?

120. Are legal mechanisms designed to enforce interests against real property vulnerable to abuse by money launderers?

121. What measures could be taken to guard against the legal being used for money laundering purposes?

122. What measures could be taken to guard against land titles system being used for money laundering purposes?

123. Would making data already collected by the LTSA more accessible assist in addressing money laundering?

124. Would directing the LTSA to collect more data assist in addressing money laundering?

125. Are there bulk data analyses that could be performed using LTSA data to allow for the detection of money laundering or the identification of market trends that could indicate money laundering vulnerabilities?

126. Should the *Land Title Survey Authority Act*, SBC 2004 c. 66 be amended to allow greater ease of data sharing with other agencies, including federal agencies?
127. What privacy concerns, if any, would arise from expanding the types of data collected and made available by the LTSA?
128. Should LTSA data be made more accessible by increasing the amount of information that is digitally searchable, and expanding the search fields available to users?
129. Should the LTSA collect information on the identity of real estate licensees and mortgage brokers involved in sale and mortgage transactions?

Building Supply Companies

130. Are building supply companies vulnerable to money laundering, and if so, how and to what extent?
131. Should the provincial minister of finance be urged to recommend to her federal counterpart that building supply companies be added as reporting entities under the *PCMLTFA*?

Privacy Interests

132. What privacy interests arise in relation to information and data held by government agencies and regulators in the real estate space?
133. What privacy concerns or issues arise as to the collection, sharing and use of that data as between government regulators and agencies, or as between government regulators or agencies and private entities?
134. How can these interests be taken into account in any measures taken to address money laundering in the real estate sector?

Beneficial Ownership

135. Does the mandatory collection of beneficial ownership information lead to a decrease in the ownership of real property by legal persons? What does the answer to this question indicate in terms of the usefulness of collecting and making publicly available the beneficial ownership data of real property in BC?

Luxury Goods

136. What is the nature and extent of the risk of money laundering in luxury and other high-value consumer goods markets in British Columbia including, but not limited to, the markets for vehicles, yachts, jewellery, insurance, art and clothing and apparel?
137. Is the level of regulation applied to luxury and other high-value consumer goods markets in British Columbia including, but not limited to, the markets for vehicles, yachts, jewellery, insurance, art and clothing and apparel optimal for the purpose of limiting the risk of money laundering?
138. Is the level of law enforcement focus applied to luxury and other high-value consumer goods markets in British Columbia including, but not limited to, the markets for vehicles, yachts, jewellery, insurance, art and clothing and apparel adequate to address money laundering in these markets?
139. To the extent that greater regulation in any luxury or high-value consumer goods market would enhance efforts to limit the risk of money laundering in those markets, what ancillary impacts would increased regulation have on those markets?
140. Should new or existing regulators in luxury and high-value consumer goods markets, such as the Vehicle Sales Authority and the Insurance Council of British Columbia be given an anti-money laundering mandate?
141. To the extent new or existing regulators have or are given an anti-money laundering mandate, what level of resourcing for new or existing regulators is necessary to effectively fulfil that mandate and how can luxury goods regulators be provided with the resources and expertise required to effectively fulfill that mandate?
142. What, if any, limits should be placed on the manner in which luxury and high-value consumer goods are purchased and sold including, but not limited to, limits or prohibitions on cash purchases, mandatory source of funds declarations, mandatory know-your-client/customer due diligence requirements, mandatory declarations related to intentions to export or re-sell?
143. What, if any, information-sharing protocols involving regulators, retailers, government, law enforcement and other parties should be implemented to reduce the risk of money laundering in luxury and high-value consumer goods markets?

144. What, if any, controls should be placed on the export of motor vehicles to reduce the risk of money laundering through vehicle exports?
145. Would mandatory reporting by luxury and high-value consumer goods retailers, including reporting of suspicious and large cash transactions, to law enforcement, regulators or a financial intelligence unit, enhance efforts to limit the risk of money laundering in these markets?
146. What, if any, further study and analysis of the prevalence and risks of money laundering in luxury and high-value consumer goods markets, including but not limited to study of cash sales in the market for vehicles, would assist in identifying measures for enhancing efforts to combat money laundering in British Columbia?
147. To the extent that changes to luxury and high-value consumer goods markets and their relationships with regulatory authorities and law enforcement would enhance efforts to combat money laundering in British Columbia, what, if any, issues related to constitutional compliance, privacy and property rights, due process and civil liberties should guide the Commissioner's deliberation regarding recommendations in this area?

Enforcement

148. What law enforcement entities are responsible for investigating money laundering in British Columbia, and what is the capacity of those entities to do so, individually and collectively?
149. What challenges exist with respect to the effective investigation and prosecution of money laundering offences in British Columbia, and how might those challenges be addressed?
150. What is the significance of investigating and prosecuting proceeds of crime and money laundering offences specifically, as opposed to pursuing other offences (e.g. only a predicate offence)?
151. Has the level of investigations and prosecutions of money laundering in British Columbia been commensurate with its occurrence and significance? If not, why not, and what can be done to address it?
152. Has the investigation of money laundering been given sufficient resources and priority by law enforcement in British Columbia? If no, has that contributed to money laundering in the Province?

153. What was the response of the Royal Canadian Mounted Police (RCMP) to information regarding suspected money laundering in Lower Mainland casinos, and to what extent did any response address the issue?
154. What was the impact of the Federal re-engineering of the RCMP and the Deficit Reduction Action Plan on the investigation of money laundering in British Columbia, including: (a) the disbandment of the Integrated Proceeds of Crime (IPOC) unit (b) the disbandment of the Commercial Crime Section, (c) the refocusing of the RCMP on national security matters?
155. Would a law enforcement focus on crimes that generate relatively high profits, such as fraud and the sale of illegal drugs, assist in deterring money laundering and thereby have a disproportionate effect on dismantling organized crime? In other words, would a profit-based prioritization of law enforcement assist in deterring money laundering?
156. Is the current level of prioritization and resources directed to the investigation of money laundering by the RCMP and federal government in British Columbia sufficient and, if not, what can and should the Province of British Columbia do to address the gap?
157. What will be the impact of new initiatives and resources announced by the federal government to address any enforcement gap in British Columbia and will they be adequate to do so? Such recently announced initiatives include, but are not limited to:
 - a. The Financial Crime Coordination Centre (FC3), formerly the Anti-Money Laundering Action, Coordination and Enforcement (ACE) Team.
 - b. The Integrated Money Laundering Investigative Teams (IMLITs).
 - c. The Trade-Based Money Laundering Centre of Expertise.
 - d. The Counter Illicit Finance Alliance-BC (CIFA-BC), formerly Project ATHENA.
158. To the extent that the level of federal engagement or resources dedicated to investigating money laundering is inadequate, what is the role of the Province of British Columbia in addressing the investigation of money laundering in British Columbia?

- a. Is there a need for the creation of a BC-based, dedicated intelligence, regulatory and enforcement body to address money laundering in British Columbia?
 - b. If so, how should such a body be designed, resourced, and structured?
 - c. Should the mandate of such a body be focused on a particular sector (e.g. real estate, casinos, MSBs) or multi-sectoral?
159. What role has FINTRAC played in the investigation of money laundering in British Columbia, what are the limitations to the effective use of FINTRAC intelligence by law enforcement, and how could such limitations, if any, be addressed?
160. What is the current information sharing framework available to law enforcement as it relates to its anti-money laundering partners, such as financial institutions?
- a. What level of information sharing between law enforcement and anti-money laundering stakeholders is necessary for effective investigation?
 - b. How effective is information sharing absent the ability of anti-money laundering stakeholders to share tactical (as opposed to strategic) level information?
 - c. What reforms, if any, are necessary in British Columbia to facilitate or improve information sharing?
161. How could the capacity of municipal and local law enforcement to investigate money laundering be improved?
162. What constitutional questions arise or may arise out of the evidence led or potential recommendations in this sector?
163. What privacy issues arise or may arise out of the evidence led or potential recommendations in this sector?

Government Response

164. Has there at any time been a risk of or vulnerability to money laundering or actual money laundering occurring in British Columbia?
- a. If so, when, if at all, were those risks, vulnerabilities, or actions identifiable by government and individual government officials?

- b. If so, when, if at all, did government and individual government officials become aware of money laundering or the risk of or vulnerability to money laundering in any economic sector or in British Columbia generally?
 - c. When, if at all, should government and individual government officials have become aware of money laundering or the risk of or vulnerability to money laundering in any economic sector or in British Columbia generally?
165. What, if any, actions or omissions, deliberate or otherwise, on the part of government or any individual government official impacted the extent, growth, evolution or methods of money laundering or the risk of or vulnerability to money laundering in any economic sector or in British Columbia generally?
166. If any actions or omissions of any government official impacted the extent, growth, evolution or methods of money laundering or the risk of or vulnerability to money laundering in any economic sector or in British Columbia generally, did those acts or omissions amount to corruption?
167. If, at any point, government or any government official became aware of money laundering or the risk of or vulnerability to money laundering in any economic sector or in British Columbia generally what, if anything, was done in response? Was that response commensurate with the level of risk? Was that response effective?
168. In what ways, if any, did the structure and organization of the government of British Columbia, including the structure of British Columbia's public service, impact upon government's capacity to respond effectively and efficiently to money laundering or the risk of or vulnerability to money laundering in the Province?
169. Does there remain a risk of or vulnerability to money laundering or actual money laundering occurring in British Columbia?
170. If so, what additional actions, if any, should government take to address that risk, vulnerability, or activity?

Terms of Reference Reports

171. Are there particular findings, recommendations or commentary contained in the reports listed in paragraph 4(2)(b) of the Commission's terms of reference which the Commissioner should or should not rely on or should adopt or depart from. If

so, why. (Participants are free to reference or adopt their earlier submissions respecting these reports in addressing this point).

Overview and Other Jurisdictions

172. How should “money laundering” be defined and what are the implications of different definitions for efforts to combat money laundering in British Columbia?
173. Is money laundering a problem for society and if so, why?
174. Is British Columbia vulnerable to money laundering? If so, what are the features of British Columbia that impact its vulnerability to money laundering?
175. What are the implications of British Columbia’s placement within the Canadian federation and the global economic system for British Columbia’s capacity to combat money laundering within the Province and the approach British Columbia should take in doing so?
176. To what extent is anti-money laundering law, regulation and practice in British Columbia consistent with global norms?
177. To the extent that British Columbia is compliant with global anti-money laundering norms, to what extent, if any, and in what ways has compliance with these norms advanced efforts to combat money laundering in British Columbia? To what extent, if any, and in what ways has compliance with these norms furthered and/or hindered efforts to combat money laundering in British Columbia?
178. Would greater or lesser compliance with global anti-money laundering norms advance efforts to combat money laundering in British Columbia?
179. To the extent that global anti-money laundering norms leave room for interpretation in implementation (for e.g. risk assessments), should British Columbia adopt different or additional approaches to implementation?
180. What, if any, economic sectors or money laundering typologies should be prioritized in British Columbia’s efforts to combat money laundering?
181. Would the measures currently under consideration by the Province, including those developed through the Province’s Anti-Money Laundering Deputy Ministers Committee, advance efforts to combat money laundering in the Province and should those measures be implemented?

182. What role should privacy and property rights, due process and civil liberties play in evaluating measures for enhancing anti-money laundering efforts in British Columbia?
183. To what extent should British Columbia look to other jurisdictions as models or comparators in identifying measures to enhance anti-money laundering efforts in British Columbia?
184. What factors may enhance or limit the applicability or transferability of money laundering measures from other jurisdictions to British Columbia?
185. Are there particular jurisdictions that British Columbia should look to in identifying measures for enhancing efforts to combat money laundering in the Province?
186. What, if any, measures to combat money laundering employed in other jurisdictions would enhance British Columbia's efforts to address money laundering in the Province?
187. To the extent that measures employed in other jurisdictions would advance British Columbia's efforts to address money laundering in the Province, what, if any, issues related to constitutional compliance, privacy and property rights, due process and civil liberties should guide the Commissioner's deliberation regarding recommendations to adopt such measures?