

Contribution of the AML/CFT standards to the competitiveness

Registraire des entreprises
Conférence annuelle de l'EBRA – 31 mai et 1^{er} juin 2023

1. The « Registraire des entreprises du Québec » : in a few words!

- The starting point for doing business in Québec.
 - Assignment of the *Québec enterprise number (NEQ)*
- A first-level partner, a gateway and an official source at the service of the AML/CFT
- A legal register
 - *Act respecting the legal publicity of enterprises*
 - Public information and free consultation
 - Legal information that can be set up against third persons

2. Origin of the *Act mainly to improve the transparency of enterprises*

- **2013** : Countries of the G7 / G20 commit to improve corporate transparency.
- **2016** : Canada underwent a review process by the Financial Action Task Force (FATF).
- **2017** : The Committee on Public Finance of the National Assembly of Québec, in its report, recommends the creation of a beneficial owners register.

3. Corporate transparency

3.1. Legislative changes

Amendments to the *Act respecting the legal publicity of enterprises* to allow the collection of information relating to beneficial owners considering that **this statute already provides for the collection of all information published in the register.**

- The information relating to beneficial owners will consequently be added to the enterprise register.

3. Corporate transparency (...)

3.1. Legislative changes (...)

The following entities are targeted by the new obligation to declare beneficial owners (both Québec and foreign enterprises):

- For-profit legal persons (e.g. business corporations, cooperatives)
- Partnerships (e.g. general partnerships, limited partnerships)
- Natural persons who operate a sole proprietorship
- Trusts operating a commercial enterprise in Québec

3. Corporate transparency (...)

3.2. Search by name of a natural person planned for March 31st, 2024

Attenuating measures

- The residential address of natural persons will not be public if a valid business address is declared
- Certain information relating to minors will not be public when they are beneficial owners
- Possibility to ask the « Registraire » to prevent access to personal information in the register concerning a natural person if there is reasonable grounds to believe that making that information accessible represents a serious threat to the person's safety (section 100 ALPE)
- The date of birth of a natural person declared in the register will not be public

4. How does the AML/CFT standards contribute to competitiveness?

- The collection of the information relating to beneficial owners: a first step and not an end.
- The key: it's not just about sharing information, but also about verifying and analyzing it.
- Finally, the addition of such information to the enterprise register increases the quantity of information available and this information must be shared with other ministries and bodies of the government in order to facilitate the fulfillment of their duties.
- Enterprise registries should be seen as tools available to the public and to the government.

5. Control and sanctions

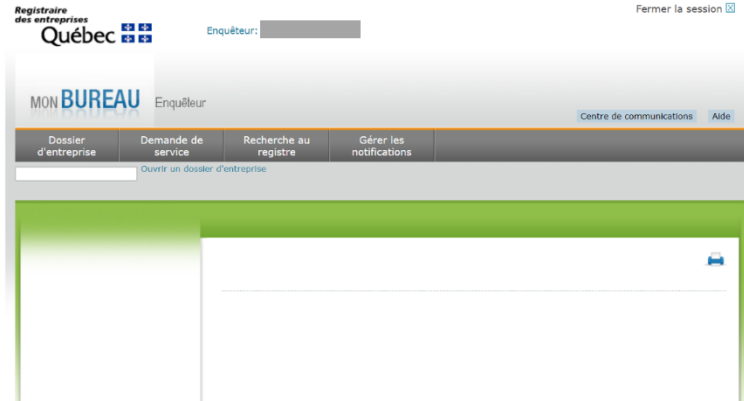
- AML/CFT first and foremost involves optimizing the reliability of the information in the register. The more reliable they are, the better they can be used.
- Various mechanisms make it possible to achieve this and are provided for in the *Act respecting the legal publicity of enterprises*:
 - *A priori* and *a posteriori* control of information
 - Inspections and investigations
 - Administrative sanctions (requests to update information, cancellation of registration, etc.)
 - Penal sanctions

6. Sharing the information

- The information it contains should be made available to other ministries and agencies that deal with financial crimes.
 - Denunciation process
- This requires that we share the register's data and conclude partnerships with other ministries and organizations that hold information on enterprises registered in the register.
 - Two-way exchange of information

7. The Investigator's office

- In March 2021, launch of the Investigator's Office: a virtual and user-friendly tool.



- To this day, there are more than **1116** users spread across **14** government ministries or agencies and police forces.

8. Conclusion

A quality and accessible enterprise register is at the forefront of the fight against money laundering and terrorist financing.

Questions?

Merci pour votre attention!