



**Community of Practice
GR Update Sept 9 2020
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Money Laundering in BC:

Historically in BC, this issue has received:

- Significant media attention
- Significant public interest
- Tied to housing prices in BC
- Significant governmental interest

Money Laundering in BC:

- What this means for our sector is an extreme degree of concern and focus around the impact of money laundering in BC.
- Regardless whether the scope of money laundering is as significant as media and government have inferred, this is an issue that requires our attention.
- Public and governmental concern have deep potential consequences.

Cullen Commission of Inquiry into Money Laundering in BC:

On May 15, 2019, British Columbia Premier John Horgan announced the establishment of this Commission of Inquiry into Money Laundering in the province.

The mandate of the Commission is broad. It's concerned with the extent, growth, evolution and methods of money laundering in British Columbia, with regard to specific economic sectors;

the acts or omissions of responsible regulatory agencies and individuals, and whether those have contributed to money laundering in the province or amount to corruption;

the scope and effectiveness of the anti-money laundering powers, duties and functions of these regulatory agencies and individuals; and

the barriers to effective law enforcement in relation to money laundering.

In addition, this Commission has the responsibility to make recommendations to address the conditions which have enabled money laundering to flourish.

Cullen Commission of Inquiry into Money Laundering in BC:

- BCREA have applied to partake and been granted participant standing.
- We have been assisting by providing information, expertise, answering questions, etc., throughout the process.
- We provided opening statements February 26th
- Inquiry ongoing (slowed by Covid-19).
- Testimony early 2021.

Regulatory Shift:

- Provincial government are planning a shift from two regulators to one.
- They currently plan to table this legislation in coming months.
- Money laundering will be a likely featured issue of focus within the new regulatory structure.
- Implementation to follow.
- Regulation will fall under the BC Financial Services Authority.

What's next?

- It is our hope to demonstrate within our participation in the Cullen Commission and reinforced by their findings, that the scope of money laundering within our sector is less than suspected.
- We are working with the provincial government to push for evidence-based policy.
- We are working to develop new educational offerings to assist with achieving stronger compliance.
- We are creating a new section on our website with FAQ and historical materials for both practitioner and public review.
- We are building an internal communication model that discusses topical issues with membership on the subject of money laundering on an ongoing basis.

What is your role?

- Regardless how you may feel about money laundering in BC, this is a reputational issue for the sector.
- BCREA are working hard to demonstrate that we take the issue seriously.
- We are actively partaking with government to address concern around the issue.
- BCREA can't address this issue alone. We need your help.
- We need your help and participation in collectively working toward better compliance, fostering stronger knowledge around money laundering issues for the sector, and demonstrated corporate responsibility.