



In addition to making the federal credit union framework more robust, the Government will enhance clarity of the federal mandate. Joint supervision of provincial credit union centrals by the Office of the Superintendent of Financial Institutions will cease. Over the coming months, the Government will consult with provinces and industry on a two-year transition plan. The Government will review the powers of federal entities with respect to provincial credit unions', caisses populaires' and centrals' access to direct federal support and will make amendments, as appropriate.

## **Providing Banking and Custodial Services for the Canada Deposit Insurance Corporation**

*Economic Action Plan 2014 proposes to make legislative amendments to permit the Bank of Canada to provide banking and custodial services to the Canada Deposit Insurance Corporation.*

The Canada Deposit Insurance Corporation (CDIC) maintains a deposit insurance fund, into which CDIC member institutions pay annual premiums. The Bank of Canada currently provides some banking and custodial services to foreign central banks, and is uniquely positioned to provide similar services for the CDIC deposit insurance fund. The Government of Canada proposes to make legislative amendments to permit the Bank of Canada to provide banking and custodial services to CDIC.

## **Strengthening Canada's Anti-Money Laundering and Anti-Terrorist Financing Regime**

*The Government will introduce legislative amendments to strengthen Canada's anti-money laundering and anti-terrorist financing regime.*

The Government of Canada is committed to a strong and comprehensive regime that is at the forefront of the global fight against money laundering and terrorist financing and that safeguards the integrity of Canada's financial system and the safety and security of Canadians.

Canada's regime remains strong and effective and is consistent with international standards. However, it is important to continually improve Canada's regime to address emerging risks, including virtual currencies, such as Bitcoin, that threaten Canada's international leadership in the fight against money laundering and terrorist financing.



To this end, the Standing Senate Committee on Banking, Trade and Commerce undertook a five-year review of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* and issued its final report in March 2013. Concurrently, the Government consulted with stakeholders to solicit their views on specific proposals and identify additional measures for consideration.

Pursuant to this review, the Government will introduce legislative amendments and regulations to strengthen Canada's anti-money laundering and anti-terrorist financing regime and improve Canada's compliance with international standards, while minimizing the compliance burden.

For example, the Government proposes to:

- Introduce anti-money laundering and anti-terrorist financing regulations for virtual currencies, such as Bitcoin.
- Make online casinos subject to the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*.
- Enhance the ability of the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) to disclose to federal partners threats to the security of Canada, consistent with the Government's response to the Commission of Inquiry into the Investigation of the Bombing of Air India Flight 182.

To implement these amendments, the Government proposes to provide FINTRAC up to \$10.5 million over five years and up to \$2.2 million per year ongoing. The Government also proposes to provide up to \$12 million on a cash basis over five years to improve FINTRAC's analytics system. This investment will increase efficiency, improve data quality and better meet the needs of Canadian law enforcement and other regime partners.