

2021–22
Departmental Results Report

**Financial Transactions and Reports
Analysis Centre of Canada**

The Honourable Chrystia Freeland P.C, M.P.
Deputy Prime Minister and Minister of Finance

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as represented by the Minister of Finance, 2022

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From the Director and Chief Executive Officer

I am pleased to submit to Parliament and Canadians the Departmental Results Report for the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC).

As Canada's financial intelligence unit and anti-money laundering/anti-terrorist financing regulator, FINTRAC plays a critical role in combatting money laundering, terrorist activity financing and threats to the security of Canada.

Over the past year, the Centre supported a number of national priorities, including the federal government's efforts to combat Russian-linked money laundering related to sanctions evasion following the Russian Federation's unprovoked and unjustified invasion of Ukraine.

With the information that we received from Canadian businesses, we were able to generate 2,292 financial intelligence disclosures last year in support of money laundering and, terrorist activity financing investigations across Canada and around the world – or more than six disclosures every day. In total, FINTRAC has provided more than 24,000 financial intelligence disclosures to Canada's law enforcement and national security agencies since it became operational in 2001.

Our financial intelligence very often contains hundreds and even thousands of financial transaction reports in each disclosure, which speaks to the complexity of connecting the flow of illicit funds involving organized criminal groups. For example, the 382 disclosure packages that we provided to municipal, provincial and federal law enforcement in British Columbia in 2021–22 were focused on 890 individuals and, in total, contained more than 30,000 transaction reports, with some reports including numerous transactions. The approximate value in the transactions relevant to money laundering investigations was \$2.88 billion.

In addition, we also produce valuable strategic intelligence to inform businesses, our federal partners, our international counterparts and Canadians about the nature and extent of money laundering and, terrorist activity financing in Canada and throughout the world. Through the use of analytical techniques, we are able to identify emerging characteristics, trends and tactics used by criminals to launder money or fund terrorist activities.

The results that we achieve would not be possible without the dedicated efforts of businesses across the country. Even with many public health restrictions still in place in Canada's provinces and territories last year, businesses continued to report suspicious transactions at historic levels, allowing us to keep producing actionable financial intelligence for Canada's law enforcement and national security agencies in support of their money laundering and, terrorist activity financing investigations. I want to recognize and thank businesses for their commitment to protecting Canadians and Canada's economy.




We work extensively with businesses to ensure they understand and are able to fulfill their obligations under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*. In addition to publishing comprehensive and sector-specific guidance, we undertake hundreds of outreach engagements and respond to thousands of questions every year from businesses across the country. As part of our extensive outreach to businesses last year, we launched a National Anti-Money Laundering/Anti-Terrorist Financing Real Estate Virtual Forum to help those engaged in this sector better understand the threats they are facing, and how to work with FINTRAC to address them.

We continued to work with businesses over the past year to implement the significant legislative and regulatory changes that came into effect in 2020 and 2021. These changes have strengthened Canada's Anti-Money Laundering and Anti-Terrorist Financing Regime by covering dealers in virtual currencies and foreign money services businesses, extending obligations related to beneficial ownership and politically exposed persons to all business sectors, and requiring all businesses subject to our Act to report virtual currency transactions of \$10,000 or more to the Centre. These changes have also paid off internationally, with Canada obtaining several important upgrades on its most recent Financial Action Task Force Follow-up Report.

I want to acknowledge the significant support that we received from the Government of Canada in Budget 2022 to modernize and further strengthen FINTRAC. With the nearly \$90 million in additional funding announced in the federal budget, we are implementing new regulations that add businesses offering crowdfunding platforms and certain payment service providers as regulated entities under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*. We are also working to enhance and modernize our compliance program, transform our key systems and technology, and strengthen and expand our partnerships with other organizations and jurisdictions that have a stake in combatting money laundering and terrorist activity financing.

I am honoured to share the impressive results that the Centre achieved for Canadians and to congratulate FINTRAC's highly skilled and dedicated workforce for the successes achieved in the past fiscal year.



Sarah Paquet
Director and Chief Executive Officer

Results at a glance

Budgetary financial resources (dollars)

2021–22 Main Estimates	2021–22 Planned spending	2021–22 Total authorities available for use	2021–22 Actual spending (authorities used)	2021–22 Difference (Actual spending minus Planned spending)
\$84,041,113	\$86,600,573	\$90,286,709	\$77,028,275	-\$9,572,298

Human resources ([full-time equivalents](#))

2021–22 Planned full-time equivalents	2021–22 Actual full-time equivalents	2021–22 Difference (Actual full-time equivalents minus Planned full-time equivalents)
413	483	70

FINTRAC continues to pursue its vision and strategic priorities, built on a foundation of three pillars that, together, bring to life the vision of contributing to the safety of Canadians and the security of the economy, as a trusted leader in the global fight against money laundering and terrorist activity financing.

Inside the overarching pillars of 1) Promote a culture of accountability; 2) Prepare FINTRAC for the future; and 3) Collaborate to strengthen results, FINTRAC's Strategic Plan articulates six priorities that are summarized below, along with some of the key strategic actions that will enable the Centre to realize its vision.

Pillar 1: Promote a culture of accountability

FINTRAC’s objective is to have a resilient, agile workforce accountable for achieving the Centre’s priorities within a culture that values diversity, collaboration, civility and ethical behaviour.

FINTRAC Priorities	2021–22 Results Achieved
Maximize the potential of our people	<ul style="list-style-type: none"> • Through tailored engagement activities and robust people management initiatives, FINTRAC continues to attract, develop, retain and maximize the contributions of its dedicated and talented workforce. • Throughout 2021–22, FINTRAC continued to implement its five-year People and Culture Strategy, <i>Our Talent, Our Future</i>, launched in 2019. Based on the vision and priorities laid out in FINTRAC’s Strategic Planⁱ, <i>Our Talent, Our Future</i> is focused on promoting a culture of accountability through empowerment and change; preparing FINTRAC for the future through continuous growth and modernization; and collaborating to strengthen results. • In support of its five-year People and Culture Strategy, FINTRAC developed a new streamlined Telework Directive to facilitate the transition to a hybrid work model that is flexible-by-design and includes employee-requested telework arrangements where it is operationally and functionally feasible. While ensuring that FINTRAC is able to deliver on its mandate for its partners and Canadians, the flexible-by-design approach will enhance the Centre’s ability to attract top talent, including under-represented minority groups and those with disabilities who may be unable to come into the office. • In 2021–22, FINTRAC also implemented its new Staffing and Talent Acquisition Policy Suite, which is intended to modernize, simplify, and streamline staffing activities and enhance the Centre’s ability to identify and hire top talent. • As part of the Centre’s commitment to being an employer of choice for Canadians, FINTRAC continued to make significant progress in advancing its enterprise-wide Workplace Wellness and Culture Action Plan. Designed by an employee-led committee, the Workplace Wellness and Culture Working Group, the plan focuses on Centre-wide initiatives tied to health, wellness

	<p>and culture, and is focused on four key themes: Mindful Leadership; Healthy, Respectful and Inclusive Workplace; Open Communication and Transparency; and Talent Acquisition, Development and Retention. Between June 2021, when the plan was launched, and the end of March 2022, more than 80% of the initiatives were completed in three of these four key themes.</p>
<p>Ensure transparency through results and performance</p>	<ul style="list-style-type: none"> • FINTRAC is an organization that values a culture of accountability to each other and to Canadians. • In 2021–22, FINTRAC was actively engaged with the National Security and Intelligence Review Agency (NSIRA), which began a review of the Centre’s Intelligence Sharing Regime as it relates to terrorist activity financing. Preliminary planning for the review was underway at the end of March 2022, with the majority of the review process to take place in the next fiscal year. • FINTRAC was also engaged with the National Security and Intelligence Committee of Parliamentarians. After participating in the first wave of reviews conducted by the committee, the Centre worked with other members of the security and intelligence community to ensure that FINTRAC was transparent and responsive to the committee’s requests for information. • In addition, FINTRAC also supported the work of the Commission of Inquiry into Money Laundering in British Columbia throughout the year. The Centre dedicated significant resources to respond to the Commission’s requests and provided documents and expert interviews covering a wide range of topics in support of the Commission’s mandate. For example, FINTRAC provided the Commission with over 100 document packages totalling approximately 2,150 pages, including compliance documentation and strategic intelligence reports. Numerous senior FINTRAC officials also appeared before the Commission in 2020 and 2021 to provide information on the Centre’s mandate and to respond to questions from Commission counsel.

Pillar 2: Prepare FINTRAC for the future

FINTRAC’s objective is to maintain a work environment that supports innovation and provides the support and tools, especially information and data, to deepen the Centre’s analysis and approaches.

FINTRAC Priorities	2021–22 Results Achieved
Modernize the workplace	<ul style="list-style-type: none"> • FINTRAC depends on a sophisticated information technology infrastructure to receive, store and secure over 30 million new financial transaction reports every year. FINTRAC’s systems support the heavily technology-enabled Compliance Framework, allowing businesses to submit financial transaction reports, facilitating the tracking and recording of compliance, and enabling businesses to meet their legislative and regulatory obligations. At the same time, this infrastructure allows intelligence analysts to filter the information, analyze it and generate actionable financial intelligence for Canada’s police, law enforcement and national security agencies. • As the COVID-19 global pandemic continued throughout 2021–22, FINTRAC focused on ensuring that it had the appropriate tools, technology and systems in place to continue to securely deliver on its critical intelligence and compliance mandates. The Centre was able to onboard more than 200 employees with new virtual environments, upgrade remote and desktop technologies for better performance, introduce new remote features and build a vaccine attestation application. FINTRAC also continued to reconfigure its physical office space, including its existing network connections, to ensure that it was able to respect local public health restrictions and keep its staff safe and healthy. These extraordinary efforts, and many others that were led by FINTRAC’s Information Management/Information Technology (IM/IT) professionals and supported by its IT Security Team and Shared Services Canada, continued to provide the secure foundation upon which the Centre was able to produce the same, uninterrupted level of results for its regime partners and Canadians throughout the global pandemic. • As it managed the challenges and impacts associated with COVID-19, FINTRAC also worked effectively to deliver on the information technology requirements in relation to the

	<p>implementation of the significant legislative and regulatory changes that came into effect in June 2021. This included, among other things, creating and publishing hundreds of pages of new and revised guidance for businesses; developing a new large virtual currency transaction reporting form in consultation with Canadian businesses; and implementing considerable systems changes to accommodate new reporting to FINTRAC.</p> <ul style="list-style-type: none"> • Throughout 2021–22, the Centre’s focus remained on the modernization of its information technology systems to keep pace with the rapid technological innovation that is taking place in the financial sector and all sectors around the world. FINTRAC’s broader modernization efforts are underpinned by its long-term Digital Strategy, which is focused on ensuring the organization is able to leverage new and emerging technology, add business value, improve performance, enhance digital services, enrich the user experience and explore modern new ways to deliver on the Centre’s mandate. • Over the past year, FINTRAC made considerable progress in implementing its long-term Digital Strategy. This included: completing initial Cloud Frameworks, governance and strategy; employing more agile methodologies and Cloud tools than ever before; increasing capacity at an unprecedented pace to accelerate transformation and deliver on investments; creating new partnerships with external vendors and Shared Services Canada and Public Services and Procurement Canada to support key initiatives; stabilizing existing information technology infrastructure; and enhancing learning, growth and progress around the Centre’s foundational architectures that will drive the digital automation of its core business going forward. • The Centre also continued to explore ways to apply advanced analytical methods and leverage machine learning. This was meant to provide FINTRAC with greater and deeper insights into money laundering and terrorist activity financing, facilitate the development of automated solutions and support operational objectives.
Explore and implement innovative solutions	<ul style="list-style-type: none"> • FINTRAC is a member of and monitors activities of more than 50 different external committees and working groups at the domestic, intergovernmental, and international levels. This provides the

	<p>Centre the opportunity to assess the effectiveness and evolution of the techniques and technologies in use, as well as to identify areas of increased risk for financial criminal activities.</p> <ul style="list-style-type: none">• The important knowledge gained through FINTRAC’s participation in these committees and working groups increased the Centre’s understanding and assessment of such things as the use of virtual currency and its application to launder money and finance terrorism activities. In addition, it also fed into the Centre’s work to reduce the reporting burden experienced by reporting entities when using existing report transmission technology.• Throughout 2021–22, the Centre continued to support the work of the Public-Private Collaboration Steering Committee, which FINTRAC co-chairs with Scotiabank, and comprises an executive committee that also includes representatives from Royal Bank and HSBC. This committee draws its membership from across Canada’s Anti-Money Laundering and Anti-Terrorist Financing Regime and some of Canada’s largest financial institutions, and provides a coordination of efforts which are focused on expanding the boundaries of strategic information sharing within existing legislative authorities. It also serves as a forum to explore further opportunities for innovative collaboration and experimentation.• Lastly, FINTRAC’s Director and Chief Executive Officer (CEO) took over as Chair of the Egmont Information Exchange Working Group in early 2021. The mandate of this working group is focused on improving information sharing among financial intelligence units by identifying new trends and methods related to money laundering and terrorist activity financing; sharing best practices and expertise among financial intelligence units; and seeking new and innovative ways to develop and share financial intelligence. FINTRAC’s Director and CEO also serves as a member of the Egmont Committee, which acts as a steering/advisory group for the Chair of Egmont.
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Pillar 3: Collaborate to strengthen results

FINTRAC’s objective is to leverage the knowledge and expertise of our domestic and international partners to influence change in the way we detect and deter money laundering and terrorist activity financing.

FINTRAC Priorities	2021–22 Results Achieved
Cultivate strategic relationships with key external stakeholders	<ul style="list-style-type: none"> • FINTRAC works with its allies and partners in a global effort to combat international money laundering and terrorist activity financing. As a Centre that is recognized for its expertise and global contribution, FINTRAC is regularly asked to lead conferences and workshops and contribute to international research projects, training, and bilateral and multilateral capacity building initiatives. • In recent years, FINTRAC has developed a survey to gauge the level of satisfaction among international partners with the Centre’s financial intelligence, focusing on the 17 foreign financial intelligence units that, in total, receive more than 70% of FINTRAC’s disclosures. In 2021–22, the survey results showed an overall satisfaction rate of 94% in relation to FINTRAC’s financial intelligence. The majority of respondents also indicated that the Centre’s proactive disclosures aligned with their mission/mandate every time or almost every time. • FINTRAC is an active member of Canada’s delegation to the Financial Action Task Force (FATF), an international body that sets standards and promotes the effective implementation of legal, regulatory and operational measures for combatting money laundering and terrorism financing. In 2021–22, the Centre contributed to the review of several mutual evaluations and follow-ups and supported the improvement of FATF standards and processes. • FINTRAC also worked closely with the Department of Finance Canada in the preparation and revision of Canada’s submission for its Fourth Enhanced Follow-Up Report to the FATF. Canada sought re-ratings for recommendations where substantial progress had been made since its 2016 mutual evaluation report. In October 2021, the FATF recognized Canada’s overall progress and agreed to move it from enhanced follow-up to regular follow-up. In addition, FINTRAC supported the FATF’s broader strategic

	<p>review in preparation for the next round of FATF mutual evaluations.</p> <ul style="list-style-type: none">• Over the past year, FINTRAC also contributed to a number of FATF guidance, policy and research initiatives. For example, the Centre supported the development of the FATF Risk-based Guidance for the Real Estate Sector by providing input, including relevant case studies, about how the sector is used to launder the proceeds of crime, as well as examples of activities that improve the compliance of businesses in the real estate sector. FINTRAC also contributed to the FATF’s Updated Guidance for a Risk-based Approach to Virtual Assets and Virtual Asset Providers.• To support international efforts to combat money laundering and terrorist activity financing, the Centre contributed to a number of global strategic financial intelligence initiatives, including a FATF project on the Financing of Ethnically or Racially Motivated Terrorism. The project was focused on raising public awareness about this issue, drawing the attention of anti-money laundering and anti-terrorist financing experts to the financing of ethnically or racially motivated terrorism, identifying its common structural characteristics and patterns, and providing good practices to relevant authorities on how to counter this threat. FINTRAC also supported a FATF report on the Islamic State of Iraq and the Levant (ISIL), Al-Qaeda and Affiliates Financing Update and an ISIL financing typologies presentation to the Global Coalition Counter ISIL Financing Group.• FINTRAC is a member of the Egmont Group, which is comprised of 167 financial intelligence units worldwide. As part of its contribution to the group, the Centre has led or participated in projects including the development of typologies, the delivery of technical assistance and the provision of training. As part of its work on the Egmont Information Exchange Working Group over the past year, FINTRAC contributed to a project aimed at developing approaches to identify professional money laundering networks and patterns by pooling insights from financial intelligence units in relation to previous “laundromat schemes” and other trade-based money laundering schemes. Referred to as “Conclusions from Large-Scale Cross-Border Money Laundering Schemes,” the project resulted in the development of digital
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	indicators in identifying high-risk transactions, a shell company database and a case book.
Strengthen cross-government cooperation	<ul style="list-style-type: none"> • FINTRAC works closely with the Department of Finance Canada and other regime partners and international organizations, sharing its strategic and operational expertise on money laundering and terrorist activity financing and its knowledge of Canada’s national security priorities, to identify potential enhancements to legislation and regulations with a view to strengthening Canada’s overall regime. • Over the past year, FINTRAC contributed to broader regime efforts in relation to beneficial ownership, incorporating lawyers within the regime, ransomware, cyber security, human trafficking, illicit opioids and various national security issues. • While FINTRAC is an arm’s length financial intelligence unit, the Centre maintains productive working relationships with Canada’s law enforcement and national security agencies, among others, to ensure that its financial intelligence is relevant, timely and valuable. Throughout 2021–22, FINTRAC participated in numerous operational meetings with municipal, provincial and federal law enforcement agencies, security commissions and other federal and provincial organizations. • The Centre engaged in monthly meetings with the Counter-Illicit Finance Alliance of British Columbia (CIFA-BC) and actively contributed to the five working groups, including chairing or co-chairing two of the groups, that were established under the CIFA-BC banner on the subjects of underground banking, money mules, illicit cannabis, money services businesses and illegal gambling. • Over the past year, FINTRAC also continued to work with the Financial Crime Coordination Centre (formerly known as the Anti-Money Laundering Action, Coordination and Enforcement or ACE team), which is bringing together dedicated experts from across intelligence and law enforcement agencies to strengthen inter-agency coordination and cooperation and to identify and address significant money laundering and financial crime threats.

As a small agency, FINTRAC embraces the concept of ‘experimentation’ through its continued commitment to innovate and evolve its operational programs and internal services activities. Moving ahead to 2022–23, FINTRAC is committed to exploring new collaborations and work

arrangements within Canada's Anti-Money Laundering and Anti-Terrorist Financing (AML/ATF) Regime and through public and private partnerships with its major reporting entities in the continuing fight against money laundering and terrorist activity financing.

For more information on FINTRAC's plans, priorities and results achieved, see the "[Results: what we achieved](#)" section of this report.

Results: what we achieved

Core responsibility: Compliance with Anti-Money Laundering and Anti-Terrorism Financing Legislation and Regulations

Description

The Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) is responsible for ensuring compliance with Part 1 and Part 1.1 of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (PCMLTFA) and its associated Regulations. This legal framework establishes obligations for reporting entities to develop a compliance regime in order to identify clients, monitor business relationships, keep records, and report certain types of financial transactions. FINTRAC undertakes assistance, assessment, and enforcement actions to ensure that the reporting entities operating within Canada's financial system fulfill their PCMLTFA obligations. These obligations provide important measures for countering patterns and behaviours observed in criminals and terrorists in order to deter them from operating within the legitimate channels of Canada's economy. FINTRAC also maintains a registry of money services businesses in Canada and foreign money services businesses that direct and provide services to persons and entities in Canada.

Results

The global pandemic continued to have a significant impact on FINTRAC's approach to compliance in 2021–22. However, the Centre effectively mobilized and adjusted its operations to ensure that it was adhering to varied public health restrictions in jurisdictions across the country while still delivering on its critical compliance mandate. This included consulting and engaging with businesses on the implementation of new legislative and regulatory changes that came into effect in June 2021.

During the year, FINTRAC advanced plans for the implementation of the cost recovery model announced by the federal government in 2021. The Centre also launched a multi-year modernization initiative called R.I.S.E. (Respond, Innovate, Strategize, and Evolve) to pursue compliance activities that are more targeted and effective in meeting the diverse needs, expectations and capacities of businesses. The R.I.S.E. initiative is also meant to ensure that FINTRAC's workforce is prepared and equipped for new ways of working, including with greater automation, new digital tools and advanced data management solutions that will allow it to keep pace with the innovative technologies that businesses are using and looking to implement.

In addition to delivering on these broader initiatives, FINTRAC's compliance program remained focused on its three pillars: assistance, assessment and enforcement.

Assistance to Businesses

Over the past year, the Centre provided substantial new and revised guidance to businesses regarding the regulatory changes that came into effect in 2020 and 2021. These changes were intended to strengthen Canada’s Anti-Money Laundering and Anti-Terrorist Financing Regime by, among other things, including dealers in virtual currencies and foreign money services businesses, as well as extending obligations related to beneficial ownership, politically exposed persons and the requirement to report large virtual currency transactions to all business sectors.

In early 2021, FINTRAC published a delivery schedule with a staggered implementation approach for the reporting obligations coming into force in June of that year. This approach was meant to account for changes to IT systems by both FINTRAC and businesses, as well as the drafting of new and revised guidance to assist businesses in understanding and fulfilling their legal obligations in advance of coming into force dates. In total, throughout the year, the Centre published 54 guidance documents and provided approximately 100 policy interpretations in relation to the regulatory amendments. In addition, between April 2021 and March 2022, FINTRAC published several messages to businesses on the [notices and advisories](#)ⁱⁱ section of its website focused on the coming into force of the new regulations, including its compliance expectations, the reporting of large virtual currency transactions and the changes in the reporting of international electronic funds transfers. The Centre also published its revised FINTRAC Assessment Manual, which captured the new regulatory amendments and its current practices.

Over the past year, FINTRAC continued to implement its Compliance Engagement Strategy, which sets the priorities for the Centre’s engagement activities. Based on this strategy, FINTRAC undertook 231 outreach and engagement activities in 2021–22 with businesses, industry associations, provincial regulators, federal departments and regulators, stakeholders and international partners through virtual and onsite meetings, presentations, conferences, fora, training, and other exchanges of information. The Centre also conducted consultations on a number of issues, including new and revised guidance, reporting forms and the implementation of regulatory amendments.

In early 2022, FINTRAC hosted its first National AML/ATF Real Estate Virtual Forum. This major event was made available on demand from March 18 to April 30, 2022, and consisted of 22 sessions, recorded in English, French and in a bilingual format. Designed for the real estate sector, the forum offered comprehensive presentations and discussions on the legislative obligations, including the importance of suspicious transaction reporting, and the critical role that Canada’s AML/ATF Regime plays in protecting Canadians and Canada’s economy. Various real estate regulators, associations and law enforcement stakeholders took part in a panel discussion, provided additional resources, and publicized the forum to their members. Approximately 3,000 registrants from across Canada participated in the forum.

Maintaining regular and constructive dialogue with Canada’s financial institutions is critical to the success of Canada’s Anti-Money Laundering and Anti-Terrorist Financing Regime given these organizations provide approximately 94% of the reporting that FINTRAC receives every year. Over the past year, the Centre’s regional offices in Toronto, Vancouver and Montréal undertook 121 proactive engagement activities with Canada’s largest financial institutions and with small and medium sized banks on examinations, follow-up examinations and reports monitoring.

In 2021–22, FINTRAC provided 365 policy interpretations to clarify its approach to the application of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*. Common interpretations were related to regulatory changes, ascertaining identity, reporting international electronic funds transfers, and determining whether a business was considered a reporting entity under the Act. Approximately 100 policy interpretations were provided in response to questions related to the regulatory changes which came into force in June 2021.

A majority of policy interpretations were responses to the money services businesses sector (49%), the financial entity sector (19.5%) and the real estate sector (7%).

FINTRAC’s policy interpretations, many of which involve complex business models, are generally posted on its website without identifying information, to assist other businesses that may have similar questions.

Throughout 2021–22, FINTRAC responded to 7,664 enquiries from businesses in every reporting sector on a broad range of issues, including reporting obligations, access to reporting systems, the registration of money services businesses, and the requirements associated with the regulatory amendments which came into force in June 2021.

Businesses that exchange foreign currencies, transfer money or cash/sell money orders or traveller’s cheques, or deal in virtual currency must register with FINTRAC before offering these services to the public. Moreover, they must renew their registration every two years. Individuals convicted of certain offences under, among other statutes, the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*, the *Controlled Drugs and Substances Act* or the *Criminal Code* are ineligible to register a money services business in Canada. Should a determination be made that a person or entity is ineligible to register with the Centre, the registration for a money services business is either denied or revoked. Money services businesses are also required to respond to demands for information from FINTRAC or their registrations are revoked. In total, there were 114 revocations in 2021–22.

FINTRAC also undertakes a validation initiative every year to confirm the existence of specific money services businesses and determine where entities may potentially be operating without being registered (i.e., illegally) with the Centre. In 2021–22, FINTRAC conducted 169 validations on money services businesses in Canada that were suspected of being unregistered.

This resulted in 23 new entities registering with FINTRAC and three being considered for an enforcement action. The remainder were either confirmed as not operational or were part of the ongoing validation process at the end of the fiscal year.

In total last year, 846 new money services businesses registered with FINTRAC and 305 businesses were renewed. In addition, 227 businesses ceased their registrations and 239 registrations expired. As of March 31, 2022, a total of 2,465 money services businesses were registered with the Centre.

Assessment

FINTRAC monitors the quality, timeliness and volume of the financial transaction reporting that it receives from businesses across the country. Over the past few years, the Centre has invested heavily in validating and monitoring reporting data, including improving its business processes to increase the effectiveness of its monitoring.

In 2021–22, FINTRAC received a total of 33,085,162 financial transaction reports from businesses. The Centre rejected 213,373 reports for not meeting quality requirements. It accepted 589,861 financial transaction reports for which it subsequently issued a warning to businesses about the quality of those reports.

When issues relating to reporting data quality, timing or volume are identified, FINTRAC addresses them through engagement, an examination or another compliance activity. Through this type of data monitoring, the Centre is also able to identify over-reporting, and follow-up with reporting entities to remove or delete from its database those reports that should not have been received.

Examinations are FINTRAC’s primary instrument for assessing the compliance of businesses subject to the Act. The Centre uses a risk-based approach to select the businesses that will be examined every year, focusing a significant portion of its examination resources on businesses that report large numbers of transactions or are at a higher risk of being deficient or exploited by money launderers or terrorist financiers. Consistent with its transition from an audit to an assessment approach over the past few years, FINTRAC has undertaken more complex, lengthy and in-depth examinations of larger businesses in higher-risk sectors to determine how effectively they are fulfilling their compliance obligations.

The global pandemic continued to have a significant impact on FINTRAC’s ability to conduct compliance examinations in 2021–22, particularly in relation to the public health restrictions that were in place in provinces throughout the country during a large part of the fiscal year. However, through the use of innovative new practices, the Centre was able to conduct 259 compliance

Largest Number of Examinations by Sector (Top Three)	
2021–22	Real Estate (96) MSBs*(89) Securities Dealers (34)
2020–21	Real Estate (53) MSBs* (50) Securities Dealers (25)
2019–20	Real Estate (146) MSBs* (114) Securities Dealers (58)
*Money services businesses	

examinations across Canada last year. The largest number of examinations was focused on the real estate sector (96), accounting for 37% of FINTRAC's total number of examinations over the past year. This was followed by money services businesses (89) and securities dealers (34).

Follow-up examinations are an assessment tool that FINTRAC leverages, when appropriate, to determine if a business has addressed previous instances of non-compliance. In 2021–22, the Centre conducted 20 follow-up examinations. Of these, no further activity was required in nine cases as the businesses demonstrated a positive change in their compliance behaviour. The remaining 11 examinations resulted in enforcement action or a recommendation for additional follow-up activity.

Enforcement

FINTRAC is committed to working with businesses to assist them in understanding and complying with their obligations. However, the Centre is also prepared to take firm action when it is required to ensure that businesses take their responsibilities seriously.

In 2008, FINTRAC received the legislative authority to issue administrative monetary penalties to businesses that are in non-compliance with the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*. Under the legislation, penalties are intended to be non-punitive and are focused on changing the non-compliant behaviour of businesses. The administrative monetary penalties program supports FINTRAC's mandate by providing a measured and proportionate response to particular instances of non-compliance.

In 2021–22, FINTRAC issued 15 Notices of Violation of non-compliance, eight in the real estate sector for a total of \$1,517,176, four in the financial entity sector for a total of \$1,683,000, two in the money services businesses sector for a total of \$74,250, and one in the dealers in precious metals and precious stones sector for a total of \$222,750.

FINTRAC has issued 122 Notices of Violation across most business sectors since it received the legislative authority to do so in 2008.

Under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*, FINTRAC may disclose cases of non-compliance to law enforcement when it is extensive or if there is little expectation of immediate or future compliance. In 2021–22, the Centre disclosed seven such cases. Law enforcement agencies have increasingly looked to leveraging the Non-compliance Disclosure tool in pursuing criminal charges under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*.

Results achieved

The following table shows, for Compliance with Anti-Money Laundering and Anti-Terrorism Financing Legislation and Regulations, the results achieved, the performance indicators, the

targets and the target dates for 2021–22, and the actual results for the three most recent fiscal years for which actual results are available.

Departmental results	Performance indicators	Target	Date to achieve target	2019–20 Actual results	2020–21 Actual results	2021–22 Actual results
Reporting entities are compliant with Anti-Money Laundering and Anti-Terrorist Financing obligations and requirements	Percentage of assessed reporting entities not requiring enforcement action	90%	March 31, 2022	Not applicable	94%	94%
	Percentage of financial transaction reports submitted to FINTRAC that meet validation rules as an indicator of quality	90%	March 31, 2022	88.1% Percentage of Financial Transaction Reports submitted to FINTRAC that meet quality requirements	88%	87%

Budgetary financial resources (dollars)

The following table shows, for Compliance, budgetary spending for 2021–22, as well as actual spending for that year.

2021–22 Main Estimates	2021–22 planned spending	2021–22 total authorities available for use	2021–22 actual spending (authorities used)	2021–22 difference (actual spending minus planned spending)
\$27,917,065	\$28,792,401	\$29,956,352	\$25,359,149	-\$3,433,252

Financial, human resources and performance information for FINTRAC’s Program Inventory is available in [GC InfoBase](#).ⁱⁱⁱ

Human resources ([full-time equivalents](#))

The following table shows, in full-time equivalents, the human resources the department needed to fulfill this core responsibility for 2021–22.

2021–22 planned full-time equivalents	2021–22 actual full-time equivalents	2021–22 difference (actual full-time equivalents minus planned full-time equivalents)
137	173	36

Financial, human resources and performance information for FINTRAC's Program Inventory is available in [GC InfoBase](#).^{iv}

Core responsibility: Production and Dissemination of Financial Intelligence

Description

The Financial Transactions and Reports Analysis Centre of Canada (FINTRAC) is mandated by the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (PCMLTFA) to produce actionable financial intelligence, including disclosures that assist Canada's police, law enforcement, national security and other partner agencies in combatting money laundering, terrorism financing and threats to the security of Canada, while protecting the personal information entrusted to FINTRAC. FINTRAC also produces strategic financial intelligence for federal policy and decision-makers, reporting entities across the country, international partners and other stakeholders. FINTRAC's strategic intelligence provides a wide analytic perspective on the nature, scope and threat posed by money laundering and terrorism financing.

Results

Financial Intelligence

As part of its core mandate, FINTRAC provides actionable financial intelligence to Canada's law enforcement and national security agencies to help them combat money laundering, terrorist activity financing and threats to the security of Canada.

2021–22	2,292
2020–21	2,046
2019–20	2,057
2018–19	2,276
2017–18	2,466

In 2021–22, the Centre generated 2,292 unique financial intelligence disclosures in support of money laundering and terrorist activity financing investigations across Canada and around the world. This is the second-highest number of disclosures that FINTRAC has produced in a single year. In total, the Centre has provided more than 24,000 financial intelligence disclosures to Canada's law enforcement and national security agencies since it became operational in 2001.

Of FINTRAC's unique disclosures, 1,937 were related to money laundering, 191 were related to terrorist activity financing and threats to the security of Canada, and 164 were related to money laundering, terrorism activity financing and threats to the security of Canada.

More than 38% of the Centre's disclosures last year were provided proactively to Canada's law enforcement and national security agencies, which means the individuals or networks identified in the financial intelligence may not have been known to these agencies before FINTRAC's intelligence was received. This was the highest number of

Top Five Predicate Offences Related to Case Disclosures: 2021–22

Drugs	33%
Fraud	23%
Human Smuggling/ Trafficking	15%
Tax Evasion	10%
Customs & Excise	8%

proactive disclosures generated in a single year since the Centre was created and was key in fulfilling FINTRAC’s money laundering and terrorist activity financing ‘detection’ mandate.

In 2021–22, FINTRAC’s financial intelligence was used in a wide variety of money laundering investigations where the origins of the suspected criminal proceeds were linked to drug trafficking, fraud, human smuggling/trafficking, tax evasion, and other criminal offences.

Throughout 2021–22, the Centre's financial intelligence contributed to 335 major, resource intensive investigations as well as many hundreds of other individual investigations at the municipal, provincial and federal levels across the country. Canadian law enforcement agencies—particularly the Royal Canadian Mounted Police—continue to be the main recipients of FINTRAC's financial intelligence.

Disclosure Packages by Recipient: 2021–22	
Royal Canadian Mounted Police	3,053
Municipal Police	1,202
Provincial Police	793
Canada Border Services Agency	599
Canadian Security Intelligence Service	331
Canada Revenue Agency	216
Foreign Financial Intelligence Units	258
Provincial Securities Regulators	59
Revenu Québec	19
Communications Security Establishment	12
Department of National Defence	5
Competition Bureau	1

FINTRAC’s disclosures are often provided to a number of agencies simultaneously when there is authorization to do so. The ability to provide multiple disclosure packages means that the Centre can help police, law enforcement and national security agencies connect criminal activities and operations across a number of domestic and international jurisdictions by following the money.

FINTRAC always seeks feedback on its financial intelligence from disclosure recipients at the municipal, provincial and federal levels. Over the past year, the Centre received 231 disclosure feedback forms, 97 percent of which indicated that FINTRAC’s financial intelligence was actionable. This is a

clear and significant measure of the effectiveness of, and results achieved by, FINTRAC under the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*.

Results through Public-Private Partnerships

Throughout 2021–22, FINTRAC continued its extensive collaboration within Canada’s Anti-Money Laundering and Anti-Terrorist Financing Regime to advance and support its innovative and successful public-private partnerships. These partnerships are aimed at more effectively combatting the laundering of proceeds stemming from human trafficking for sexual exploitation, online child sexual exploitation, romance fraud, the trafficking of illicit fentanyl, and money laundering in British Columbia and across Canada.

By working with Canadian businesses and law enforcement agencies throughout Canada, FINTRAC has been effective in following the money to identify potential subjects, uncovering broader financial connections and providing intelligence to advance national project-level investigations.

A detailed overview of the important results achieved through Projects [Protect](#)^v, [Guardian](#)^{vi}, [Chameleon](#)^{vii}, [Athena](#)^{viii}, and [Shadow](#)^{ix} can be found in [FINTRAC's Annual Report](#)^x. In total, in 2021–22, FINTRAC was able to provide 757 disclosures of actionable financial intelligence to Canada's law enforcement agencies in relation to the five public-private sector partnerships.

Strategic Intelligence

With the information that FINTRAC receives from its regime partners and businesses across the country, the Centre is able to produce valuable strategic intelligence in the fight against money laundering and terrorist activity financing. Through the use of research and analytical techniques, FINTRAC is able to identify emerging characteristics, trends and tactics used by criminals to launder money or fund terrorist activities. The goal of the Centre's strategic intelligence is to inform Canada's security and intelligence community, regime partners and policy decision-makers, businesses, Canadians, and international counterparts about the nature and extent of money laundering and terrorist activity financing in Canada and throughout the world.

Over the past year, FINTRAC produced and disseminated to regime partners a number of strategic financial intelligence assessments and reports on a range of specific money laundering and terrorism financing trends, typologies and mechanisms in order to improve the detection, prevention and deterrence of these activities. Some of this strategic financial intelligence was focused on trade-based money laundering, transnational professional money laundering, illicit finance methods, use of money mules in the laundering of proceeds of crime, and money laundering methods related to cryptocurrency. Throughout the year, the Centre also provided ongoing strategic financial intelligence to the Department of Finance Canada, the lead of Canada's Anti-Money Laundering and Anti-Terrorist Financing Regime, on a broad spectrum of money laundering and terrorist financing issues.

In June 2021, FINTRAC published a [Special Bulletin on Ideologically Motivated Violent Extremism](#)^{xi}. With the Government of Canada's February 2021 addition of four ideologically motivated violent extremism (IMVE) organizations to the *Criminal Code* list of terrorist entities, FINTRAC analyzed the IMVE-related financial transaction reporting that it had received from businesses and found patterns in terrorist activity financing behaviour of IMVE threat actors. For example, organized IMVE threat actors in Canada use both personal and business accounts to conduct their financial activities. Personal and business account transactions showed connections between members of IMVE threat actors, and individuals and companies charged with crimes such as fraud, robbery, assaulting police officers, drug trafficking and weapons offences. This

Special Bulletin is meant to increase the awareness and understanding of Canadian businesses of ideologically motivated violent extremism, as well as observed patterns in terrorist activity financing behaviour of these threat actors. This, in conjunction with additional indicators such as transactions with links to IMVE threat actors listed as terrorist entities or adverse media reporting, will assist businesses in addressing their own risks related to terrorist financing and in submitting suspicious transaction reports to FINTRAC.

In July 2021, following a strategic analysis of its financial intelligence since the beginning of Project Protect, the Centre developed a new Operational Alert with additional indicators, [Updated Indicators: Laundering of Proceeds from Human Trafficking for Sexual Exploitation](#)^{xii}, in consultation with Canada’s financial institutions and the Royal Canadian Mounted Police. These additional indicators are meant to further assist businesses in identifying and reporting to FINTRAC financial transactions related to the laundering of funds associated with human trafficking for sexual exploitation.

In March 2022, following the Russian Federation’s unprovoked and unjustified invasion of Ukraine, FINTRAC published a Special Bulletin on [Russia-linked Money Laundering Related to Sanctions Evasion](#)^{xiii} to increase the awareness and understanding of Canadian businesses about the characteristics of financial transactions related to the laundering of the proceeds of crime that may also be connected to the evasion of sanctions measures that have been imposed under the [Special Economic Measures Act](#)^{xiv} (SEMA). This Special Bulletin is meant to be used by Canadian businesses to identify and assess their money laundering and terrorist activity financing risks, apply controls and measures to mitigate these risks, and effectively detect and report suspicious transactions to FINTRAC.

Throughout the year, FINTRAC also delivered numerous presentations to public and private sector stakeholders in relation to its strategic financial intelligence initiatives, including on the illicit use of cryptocurrencies, trade-based money laundering, Canada’s terrorist activity financing landscape, ideologically motivated violent extremism, and underground banking through unregistered money services businesses.

Results achieved

The following table shows, for Intelligence, the results achieved, the performance indicators, the targets and the target dates for 2021–22, and the actual results for the three most recent fiscal years for which actual results are available.

Departmental results	Performance indicators	Target	Date to achieve target	2019–20 Actual results	2020–21 Actual results	2021–22 Actual results
FINTRAC's tactical financial intelligence disclosures inform investigative actions	Percentage of feedback from disclosure recipients that indicates that FINTRAC's financial intelligence disclosure was actionable	85%	March 31, 2022	97%	96%	97%
FINTRAC's strategic financial intelligence informs policy and decision-making	Percentage of Regime partners using FINTRAC products to inform activities	70%	March 31, 2022	Not available	70%	72%

Budgetary financial resources (dollars)

The following table shows, for Production and dissemination of financial intelligence, budgetary spending for 2021–22, as well as actual spending for that year.

2021–22 Main Estimates	2021–22 planned spending	2021–22 total authorities available for use	2021–22 actual spending (authorities used)	2021–22 difference (actual spending minus planned spending)
\$20,829,899	\$21,554,226	\$22,268,161	\$20,558,417	-\$995,809

Financial, human resources and performance information for FINTRAC's Program Inventory is available in [GC InfoBase](#).^{xv}

Human resources ([full-time equivalents](#))

The following table shows, in full-time equivalents, the human resources the department needed to fulfill this core responsibility for 2021–22.

2021–22 planned full-time equivalents	2021–22 actual full-time equivalents	2021–22 difference (actual full-time equivalents minus planned full-time equivalents)
116	131	15

Financial, human resources and performance information for FINTRAC’s Program Inventory is available in [GC InfoBase](#).^{xvi}

Internal services

Description

Internal Services are those groups of related activities and resources that the federal government considers to be services in support of programs and/or required to meet corporate obligations of an organization. Internal Services refers to the activities and resources of the 10 distinct service categories that support Program delivery in the organization, regardless of the Internal Services delivery model in a department. The 10 service categories are: Acquisition Management Services; Communication Services; Financial Management Services; Human Resources Management Services; Information Management Services; Information Technology Services; Legal Services; Material Management Services; Management and Oversight Services; and Real Property Management Services.

Results

Internal Services

As FINTRAC's responsibilities and operations continue to grow in scope and complexity, its ability to deliver on its mandate is tied directly to its adaptability, the skills and dedication of its employees, and the tools and resources that it provides them to do their work. As an organization committed to excellence, the Centre is focused on the effective management of its human, technological and financial resources.

Protecting the Health and Safety of Employees

FINTRAC continued to mobilize and reorient its operations effectively in 2021–22 to keep its people and workplace safe in the face of the ongoing COVID-19 global pandemic, while ensuring that it was able to deliver on its critical financial intelligence and compliance mandates. Throughout the past year, the Centre managed its onsite presence to respect local and federal public health restrictions and to ensure that its employees could maintain appropriate physical distancing in the workplace. This included employees working remotely where they could do so effectively. FINTRAC also updated its comprehensive *Safe at Work Playbook* and the Manager's Toolkit on an ongoing basis to ensure that employees were aware of, and respected, the extensive measures that were in place to keep them safe. The Centre also continued to make available non-medical masks and sanitizer; maintained established rigorous cleaning procedures; and managed technology-enabled contact tracing and reporting protocols, as well as a building access management application to monitor building occupancy. As a result of these extensive efforts, FINTRAC avoided workplace transmission of the virus while delivering results for its partners and Canadians, including generating the second highest number of financial intelligence disclosures for Canada's law enforcement and national security agencies in its history.

In addition to keeping its people safe over the past year, the Centre focused on supporting their mental health and well-being. FINTRAC's Ombuds and Champion for Mental Health were actively engaged in assisting, supporting and listening to individual employees and promoting, more broadly, information and advice to help staff manage the significant personal and professional challenges associated with the global pandemic.

Inclusive, Safe and Healthy Workplace

As part of its efforts to ensure a workplace that is inclusive, safe and healthy, FINTRAC is committed to supporting diversity, employment equity and multiculturalism. The Centre promotes diversity and employment equity through its job posters, selection processes, job fairs and open houses. FINTRAC's Staffing and Talent Acquisition policy suite also provides strong support for employment equity by embedding, directly in its policies, a series of flexibilities that can be used to customize appointment processes to meet the Centre's employment equity needs. This includes the ability to integrate employment equity as part of the candidate profile and the ability to limit an area of selection to an employment equity group, increasing the chances of attracting members of that group.

Over the past year, FINTRAC announced the nomination of its new Employment Equity, Diversity and Inclusion Champion (formerly known as the Employment Equity and Multiculturalism Champion) and the re-launching of its employee consultation body, known as the Employment Equity, Diversity and Inclusion (EEDI) Working Group. Sixteen employees from across the Centre have joined this working group since its creation. FINTRAC's national training standards also include mandatory diversity, equity and inclusion training. A learning path for employees will unfold over a three-year period, beginning with members of the EEDI Working Group, with additional training requirements to be added for those in supervisory positions.

In 2021–22, FINTRAC developed a Leadership Pledge on Employment Equity, Diversity and Inclusion, a key commitment outlined in the Centre's Workplace Wellness and Culture Action Plan. The Leadership Pledge outlines how FINTRAC will address systemic racism and discrimination, as well as stipulating the individual actions, organizational commitments, and underlying beliefs that are needed to move forward when it comes to diversity, equity and inclusion. Every member of the Executive Cadre will sign on to the Leadership Pledge in the next fiscal year and be held accountable to its commitments.

Safeguarding Personal Information

In fulfilling its core financial intelligence and compliance mandates, FINTRAC is committed to safeguarding the information that it receives and discloses to Canada's police, law enforcement and national security agencies. The *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* strikes a careful balance between FINTRAC's receipt and disclosure of personal information to support essential criminal and national security investigations and the rights of Canadians to be protected from unnecessary invasions of their privacy.

The safeguarding of personal information is critical to FINTRAC and clear principles for the protection of privacy are set out in its governing legislation, including strict limitations on the information that can be received and disclosed, clear requirements for maintaining and disposing of records, and a biennial audit of FINTRAC's protection of information by the Office of the Privacy Commissioner. These principles are reinforced by the Centre's own operational policies and security measures.

In 2021–22, the Office of the Privacy Commissioner finalized its fourth review of FINTRAC's privacy protection measures, focusing on the Centre's policies and procedures related to administrative, physical and information technology security controls to protect information from unauthorized use and disclosure. The review also looked at IT controls in place on the IT infrastructure at Shared Services Canada where FINTRAC's electronic data holdings are housed.

FINTRAC accepted the Privacy Commissioner's final audit report, which highlighted a number of areas of strength in relation to the Centre's integrated security framework. These include established principles to guide its security activities (*e.g.*, need-to-know principle, access control criteria, security and change management to approved configurations and the separation of duties); continuous threat and risk management, rigorous personnel security screening, security zones, electronic access control devices, identification cards and mandatory security awareness training; and robust network security configurations, including network zoning and separation between systems.

The Office of the Privacy Commissioner's audit did note that FINTRAC's existing monitoring of its systems should be strengthened to better detect potential unauthorized access by the Centre's employees. The Office of the Privacy Commissioner also observed that FINTRAC's Business Continuity Plan did not address the protection of personal information.

The Centre has a number of measures in place to monitor its systems and has, in recent years, completed a variety of initiatives, including the introduction of new technology, to further its existing capability. In addition to existing controls, FINTRAC has procured additional technology to enhance its ability to detect inappropriate internal activity on its systems. The Centre's Business Continuity Plan was also updated to ensure the personal information holdings are continuously protected.

The Office of the Privacy Commissioner's audit also identified issues in relation to the receipt, collection and retention of personal information that does not meet reporting thresholds, particularly in relation to terrorist property reports, large cash transaction reports and electronic funds transfer reports, as well as information collected as part of the Centre's compliance examinations.

FINTRAC has taken a number of concrete steps to limit the receipt and retention of reports that do not meet the legislated threshold for reporting. For example, the Centre recently updated its

guidance for businesses in relation to reporting under the 24-hour rule. As well, as part of changes to its reporting systems, FINTRAC is updating various reporting forms to minimize the receipt of reports that do not fall under this rule. The Centre also works extensively with businesses to inform them of their obligations, including the types of information they should and should not provide to FINTRAC. In addition, FINTRAC has in place robust front-end screening for incoming reports to ensure they meet legislated reporting thresholds and do not contain unnecessary and/or excessive personal information.

The protection of privacy is a clear priority and a critical result of FINTRAC's work. While helping to protect the safety of Canadians and security of Canada's economy, the Centre is determined to meet all of its obligations under the *Privacy Act* and the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*.

Budgetary financial resources (dollars)

The following table shows, for internal services, budgetary spending for 2021–22, as well as spending for that year.

2021–22 Main Estimates	2021–22 planned spending	2021–22 total authorities available for use	2021–22 actual spending (authorities used)	2021–22 difference (actual spending minus planned spending)
\$35,294,149	\$36,253,947	\$38,062,196	\$31,110,709	-\$5,143,238

Financial, human resources and performance information for FINTRAC's Program Inventory is available in [GC InfoBase](#).^{xvii}

Human resources ([full-time equivalents](#))

The following table shows, in full-time equivalents, the human resources the department needed to carry out its internal services for 2021–22.

2021–22 planned full-time equivalents	2021–22 actual full-time equivalents	2021–22 difference (actual full-time equivalents minus planned full-time equivalents)
160	179	19

Financial, human resources and performance information for FINTRAC’s Program Inventory is available in [GC InfoBase](#).^{xviii}

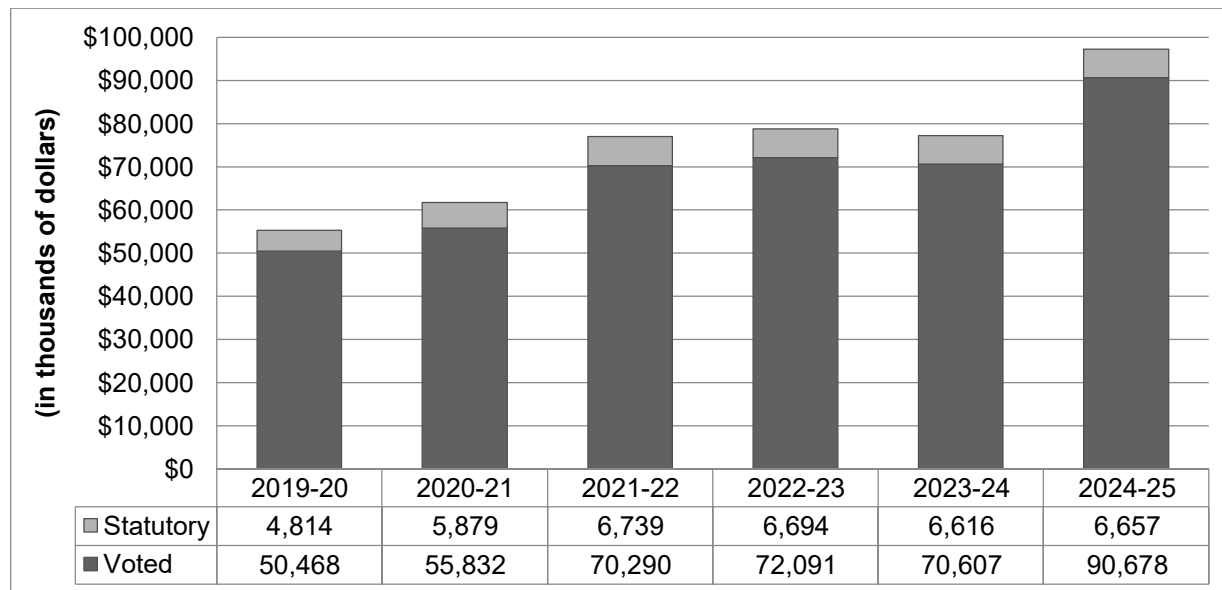
Spending and human resources

Spending

Spending 2019–20 to 2024–25

The following graph presents planned (voted and statutory spending) over time.

Departmental spending graph



Budgetary performance summary for core responsibilities and internal services (dollars)

The “Budgetary performance summary for core responsibilities and internal services” table presents the budgetary financial resources allocated for FINTRAC’s core responsibilities and for internal services.

Core responsibilities and internal services	2021–22 Main Estimates	2021–22 planned spending	2022–23 planned spending	2023–24 planned spending	2021–22 total authorities available for use	2019–20 actual spending (authorities used)	2020–21 actual spending (authorities used)	2021–22 actual spending (authorities used)
Compliance with Anti-Money Laundering and Anti-Terrorism Financing Legislation and Regulations	\$27,917,065	\$28,792,401	\$25,206,629	\$24,227,649	\$29,956,352	\$18,774,765	\$19,944,414	\$25,359,149
Production and Dissemination of Financial Intelligence	\$20,829,899	\$21,554,226	\$20,662,132	\$20,798,909	\$22,268,161	\$15,765,039	\$17,373,037	\$20,558,417
Subtotal	\$48,746,964	\$50,346,627	\$45,868,761	\$45,026,558	\$52,224,513	\$34,539,804	\$37,317,452	\$45,917,566
Internal services	\$35,294,149	\$36,253,947	\$32,916,135	\$32,196,891	\$38,062,196	\$20,742,962	\$24,393,503	\$31,110,709
Total	\$84,041,113	\$86,600,573	\$78,784,896	\$77,223,449	\$90,286,709	\$55,282,766	\$61,710,954	\$77,028,275

Actual Spending (2020–21 to 2021–22)

Actual spending in 2021–22 was \$77.0M. This is an increase of \$15.3M compared to 2020–21 spending of \$61.7M. The increase in spending is primarily due to the following:

- Personnel expenditures, including statutory expenditures, increased by \$8.2M following an increase in the number of full-time equivalents.
- Professional and special services increased by \$4.9M in 2021–22. Expenses increased in various service categories including legal services, project management services, and other professional services.
- Rentals increased by \$1.2M in 2021–22. Expenses increased with respect to the rental of office buildings and informatics equipment.
- Increases in spending for the acquisition of equipment, information, repair and maintenance, and telecommunications.

Planned Spending (2022–23 to 2024–25)

Planned spending is expected to decrease by \$12.9M to \$78.8M in 2022–23. In 2023–24, expenditures are anticipated to decrease by \$1.6M as a result of the change in funding profile related to Budget 2019, bringing planned spending down to \$77.2M. In 2024–25, planned spending is expected to increase by \$20.1M to \$97.3M. This increase is largely attributable to the reprofile of funds originally announced in the July 2020 Economic and Fiscal Snapshot to fight financial crime and modernize the cross-border currency reporting framework.

Human resources

The “Human resources summary for core responsibilities and internal services” table presents the full-time equivalents (FTEs) allocated to each of FINTRAC’s core responsibilities and to internal services. Human resources summary for core responsibilities and internal services

Core responsibilities and internal services	2019–20 actual full-time equivalents	2020–21 actual full-time equivalents	2021–22 planned full-time equivalents	2021–22 actual full-time equivalents	2022–23 planned full-time equivalents	2023–24 planned full-time equivalents
Compliance with Anti-Money Laundering and Anti-Terrorism Financing Legislation and Regulations	102	138	137	173	146	146
Production and Dissemination of Financial Intelligence	127	111	116	131	133	133
Subtotal	229	249	253	304	279	279
Internal services	123	141	160	179	189	186
Total	352	390	413	483	468	465

Full-time Equivalents (FTE) have increased from 390 in 2020–21 to 483 in 2021–22. Actual FTEs in 2021–22 exceed planned FTEs for 2021–22 by 70 FTEs.

FINTRAC’s newly established Staffing and Talent Acquisition Policy Suite enabled the Centre to create multiple talent sourcing options and strategies that were successful in supporting growth by attracting initial planned new hires in support of current business needs, as well as addressing turnover in some key sectors. FINTRAC also returned to its normal hiring practices for students in 2021–22, with an increased emphasis on student recruitment in support of the Government of Canada’s rejuvenating initiative. As a result of these efforts, FINTRAC exceeded its target of 10% student workforce representation of the population in the 2021–22 fiscal year.

These FTEs are funded by the July 2020 Economic and Fiscal Snapshot to fight financial crime and modernize the cross-border currency reporting framework, as well as Budget 2019 to strengthen Canada’s anti-money laundering and anti-terrorist financing regime, and for FINTRAC to contribute to the national strategy to combat human trafficking.

Based on the profile of funding announced in Budget 2019, the July 2020 Economic and Fiscal Snapshot and some temporary funding subsequently ending, FTEs are projected to stabilize to 468 in 2022–23 and to 465 in 2023–24.

Expenditures by vote

For information on FINTRAC's, organizational voted and statutory expenditures, consult the [Public Accounts of Canada 2021](#).^{xix}

Government of Canada spending and activities

Information on the alignment of FINTRAC's spending with Government of Canada's spending and activities is available in [GC InfoBase](#).^{xx}

Financial statements and financial statements highlights

Financial statements

FINTRAC's [financial statements](#)^{xxi} (unaudited) for the year ended March 31, 2022, are available on FINTRAC's website.

Financial statement highlights

Condensed Statement of Operations (unaudited) for the year ended March 31, 2022 (dollars)

Financial information	2021–22 planned results	2021–22 actual results	2020–21 actual results	Difference (2021–22 actual results minus 2021–22 planned results)	Difference (2021–22 actual results minus 2020–21 actual results)
Total expenses	90,244,781	79,902,306	66,512,228	10,342,475	13,390,078
Total revenues	0	0	0	0	0
Net cost of operations before government funding and transfers	90,244,781	79,902,306	66,512,228	10,342,475	13,390,078

Actual Expenses (2020–21 to 2021–22)

In 2021–22, actual expenses were \$79,902,306. This is an increase of \$13,390,078 compared to 2020–21 expenses of \$66,512,228. The variance is primarily due to:

- An increase in salaries and employee benefits of \$6,365,157 due to an increase in the number of full-time equivalents (FTE) on strength.
- An increase in professional and special services of \$9,696,468 due to an increase in various service categories including legal services, project management services, and other professional services.
- Further increases are related to the acquisition of equipment, information, rentals, repair and maintenance, and telecommunications.

Actual Revenues (2020–21 to 2021–22)

In 2021–22, actual revenues were \$0. In 2020–21, FINTRAC also recoded actual revenues of \$0.

Condensed Statement of Financial Position (unaudited) as of March 31, 2022 (dollars)

Financial information	2021–22	2020–21	Difference (2021–22 minus 2020–21)
Total net liabilities	11,624,942	11,336,894	288,048
Total net financial assets	7,503,495	6,026,264	1,477,231
Departmental net debt	4,121,447	5,310,630	-1,189,183
Total non-financial assets	4,960,516	4,632,440	328,076
Departmental net financial position	839,069	-678,190	1,517,259

Actual total net liabilities (2020–21 to 2021–22)

In 2021–22, total net liabilities were \$11,624,942. This is an increase of \$288,048 compared to 2020–21 total net liabilities of \$11,336,894.

Actual total net financial assets (2020–21 to 2021–22)

In 2021–22, total net financial assets were \$7,503,495. This is an increase of \$1,477,231 compared to 2020–21 total net financial assets of \$6,026,264. The increase primarily consists of the following:

- An increase in the amount due from the Consolidated Revenue Fund of \$ 2,786,260 resulting from an increase in liabilities such as accounts payable and accrued salaries.

Actual Departmental net debt (2020–21 to 2021–22)

In 2021–22, departmental net debt was \$4,121,447. This is a decrease of \$1,189,183 compared to 2020–21 departmental net debt of \$5,310,630 due to the changes in liabilities and financial assets described above.

Corporate information

Organizational profile

Appropriate minister: The Honourable Chrystia Freeland, Deputy Prime Minister and Minister of Finance

Institutional head: Sarah Paquet, Director and Chief Executive Officer

Ministerial portfolio: Finance

Enabling instrument: [Proceeds of Crime \(Money Laundering\) and Terrorist Financing Act, S.C. 2000, c. 17. \(PCMLTFA\)](#)^{xxii}

Year of incorporation / commencement: 2000

Raison d'être, mandate and role: who we are and what we do

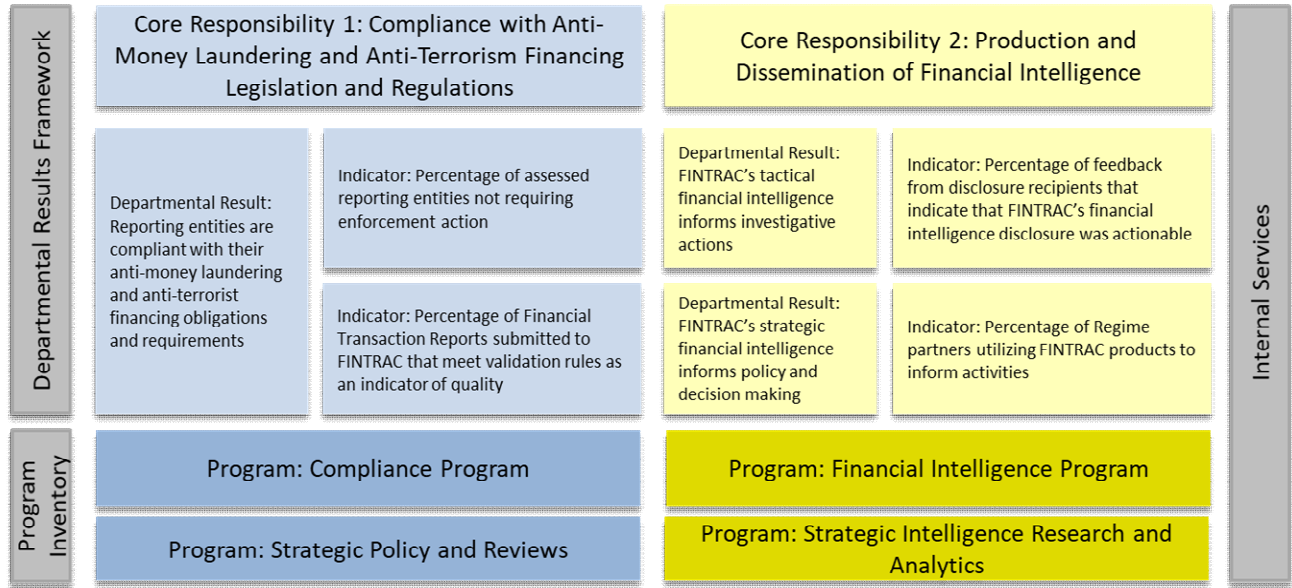
“[Raison d'être, mandate and role](#):^{xxiii} who we are and what we do” is available on FINTRAC’s website.

Operating context

Information on the [operating context](#)^{xxiv} is available on FINTRAC’s website.

Reporting framework

FINTRAC’s Departmental Results Framework and Program Inventory of record for 2021–22 are shown below.



Supporting information on the program inventory

Financial, human resources and performance information for FINTRAC's Program Inventory is available in [GC InfoBase](#).^{xxv}

Supplementary information tables

The following supplementary information tables are available on FINTRAC's website:

- ▶ [Departmental Sustainable Development Strategy/Reporting on Green Procurement](#)^{xxvi}
- ▶ [Gender-based analysis plus](#)^{xxvii}

Federal tax expenditures

The tax system can be used to achieve public policy objectives through the application of special measures such as low tax rates, exemptions, deductions, deferrals and credits. The Department of Finance Canada publishes cost estimates and projections for these measures each year in the [Report on Federal Tax Expenditures](#).^{xxviii} This report also provides detailed background information on tax expenditures, including descriptions, objectives, historical information and references to related federal spending programs as well as evaluations and GBA Plus of tax expenditures.

Organizational contact information

Mailing address

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Canada

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TTY:

Fax: 613-943-7931

Email: guidelines-lignesdirectrices@fintrac-canafe.gc.ca

Website: <https://fintrac-canafe.canada.ca>

Appendix: definitions

appropriation (*crédit*)

Any authority of Parliament to pay money out of the Consolidated Revenue Fund.

budgetary expenditures (*dépenses budgétaires*)

Operating and capital expenditures; transfer payments to other levels of government, organizations or individuals; and payments to Crown corporations.

core responsibility (*responsabilité essentielle*)

An enduring function or role performed by a department. The intentions of the department with respect to a core responsibility are reflected in one or more related departmental results that the department seeks to contribute to or influence.

Departmental Plan (*plan ministériel*)

A report on the plans and expected performance of an appropriated department over a 3-year period. Departmental Plans are usually tabled in Parliament each spring.

departmental priority (*priorité*)

A plan or project that a department has chosen to focus and report on during the planning period. Priorities represent the things that are most important or what must be done first to support the achievement of the desired departmental results.

departmental result (*résultat ministériel*)

A consequence or outcome that a department seeks to achieve. A departmental result is often outside departments' immediate control, but it should be influenced by program-level outcomes.

departmental result indicator (*indicateur de résultat ministériel*)

A quantitative measure of progress on a departmental result.

departmental results framework (*cadre ministériel des résultats*)

A framework that connects the department's core responsibilities to its departmental results and departmental result indicators.

Departmental Results Report (*rapport sur les résultats ministériels*)

A report on a department's actual accomplishments against the plans, priorities and expected results set out in the corresponding Departmental Plan.

experimentation (*expérimentation*)

The conducting of activities that seek to first explore, then test and compare the effects and impacts of policies and interventions in order to inform evidence-based decision-making, and

improve outcomes for Canadians, by learning what works, for whom and in what circumstances. Experimentation is related to, but distinct from innovation (the trying of new things), because it involves a rigorous comparison of results. For example, using a new website to communicate with Canadians can be an innovation; systematically testing the new website against existing outreach tools or an old website to see which one leads to more engagement, is experimentation.

full-time equivalent (*équivalent temps plein*)

A measure of the extent to which an employee represents a full person-year charge against a departmental budget. For a particular position, the full-time equivalent figure is the ratio of number of hours the person actually works divided by the standard number of hours set out in the person's collective agreement.

gender-based analysis plus (GBA Plus) (*analyse comparative entre les sexes plus [ACS Plus]*)

An analytical tool used to support the development of responsive and inclusive policies, programs and other initiatives; and understand how factors such as sex, race, national and ethnic origin, Indigenous origin or identity, age, sexual orientation, socio-economic conditions, geography, culture and disability, impact experiences and outcomes, and can affect access to and experience of government programs.

government-wide priorities (*priorités pangouvernementales*)

For the purpose of the 2021–22 Departmental Results Report, government-wide priorities refers to those high-level themes outlining the government's agenda in the 2020 Speech from the Throne, namely: Protecting Canadians from COVID-19; Helping Canadians through the pandemic; Building back better – a resiliency agenda for the middle class; The Canada we're fighting for.

horizontal initiative (*initiative horizontale*)

An initiative where two or more federal organizations are given funding to pursue a shared outcome, often linked to a government priority.

non-budgetary expenditures (*dépenses non budgétaires*)

Net outlays and receipts related to loans, investments and advances, which change the composition of the financial assets of the Government of Canada.

performance (*rendement*)

What an organization did with its resources to achieve its results, how well those results compare to what the organization intended to achieve, and how well lessons learned have been identified.

performance indicator (*indicateur de rendement*)

A qualitative or quantitative means of measuring an output or outcome, with the intention of gauging the performance of an organization, program, policy or initiative respecting expected results.

performance reporting (*production de rapports sur le rendement*)

The process of communicating evidence-based performance information. Performance reporting supports decision making, accountability and transparency.

plan (*plan*)

The articulation of strategic choices, which provides information on how an organization intends to achieve its priorities and associated results. Generally, a plan will explain the logic behind the strategies chosen and tend to focus on actions that lead to the expected result.

planned spending (*dépenses prévues*)

For Departmental Plans and Departmental Results Reports, planned spending refers to those amounts presented in Main Estimates.

A department is expected to be aware of the authorities that it has sought and received. The determination of planned spending is a departmental responsibility, and departments must be able to defend the expenditure and accrual numbers presented in their Departmental Plans and Departmental Results Reports.

program (*programme*)

Individual or groups of services, activities or combinations thereof that are managed together within the department and focus on a specific set of outputs, outcomes or service levels.

program inventory (*répertoire des programmes*)

Identifies all the department's programs and describes how resources are organized to contribute to the department's core responsibilities and results.

result (*résultat*)

A consequence attributed, in part, to an organization, policy, program or initiative. Results are not within the control of a single organization, policy, program or initiative; instead they are within the area of the organization's influence.

statutory expenditures (*dépenses législatives*)

Expenditures that Parliament has approved through legislation other than appropriation acts. The legislation sets out the purpose of the expenditures and the terms and conditions under which they may be made.

target (*cible*)

A measurable performance or success level that an organization, program or initiative plans to achieve within a specified time period. Targets can be either quantitative or qualitative.

voted expenditures (*dépenses votées*)

Expenditures that Parliament approves annually through an appropriation act. The vote wording becomes the governing conditions under which these expenditures may be made.

Endnotes

- i. FINTRAC Strategic plan, <https://fintrac-canafe.canada.ca/publications/plan/plan-eng>
- ii. Notices and Advisories, <https://fintrac-canafe.canada.ca/notices-avis/notices-avis-eng#s1>
- iii. GC InfoBase, <https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start>
- iv. GC InfoBase, <https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start>
- v. Project Protect, <https://fintrac-canafe.canada.ca/intel/operation/oai-hts-2021-eng>
- vi. Project Guardian, <https://fintrac-canafe.canada.ca/intel/operation/oai-fentanyl-eng>
- vii. Project Chamelon, <https://fintrac-canafe.canada.ca/intel/operation/rf-eng>
- viii. Project Athena, <https://fintrac-canafe.canada.ca/intel/operation/casino-eng>
- ix. Project Shadow, <https://fintrac-canafe.canada.ca/intel/operation/exploitation-eng>
- x. FINTRAC Annual Report, <https://fintrac-canafe.canada.ca/publications/corp-publications-eng>
- xi. Special Bulletin on Ideologically Motivated Violent Extremism, <https://fintrac-canafe.canada.ca/publications/corp-publications-eng>
- xii. Updated Indicators: Laundering of Proceeds from Human Trafficking for Sexual Exploitation, <https://fintrac-canafe.canada.ca/intel/operation/oai-hts-2021-eng>
- xiii. Russia-linked Money Laundering Related to Sanctions Evasion, <https://fintrac-canafe.canada.ca/intel/bulletins/rlml-eng>
- xiv. Special Economic Measures Act, <https://laws-lois.justice.gc.ca/eng/acts/s-14.5/FullText.html>
- xv. GC InfoBase, <https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start>
- xvi. GC InfoBase, <https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start>
- xvii. GC InfoBase, <https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start>
- xviii. GC InfoBase, <https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start>
- xix. Public Accounts of Canada, <http://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/index-eng.html>
- xx. GC InfoBase, <https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start>
- xxi. Quarterly financial reports: Financial Transactions and Reports Analysis Centre of Canada, <https://fintrac-canafe.canada.ca/publications/drr-rrm-eng>
- xxii. Proceeds of Crime (Money Laundering) and Terrorist Financing Act, S.C. 2000, c. 17. (PCMLTFA), <https://laws-lois.justice.gc.ca/eng/acts/p-0001/FullText.html>
- xxiii. FINTRAC's website, <https://fintrac-canafe.canada.ca/intro-eng>
- xxiv. FINTRAC's website, <https://fintrac-canafe.canada.ca/fintrac-canafe/1-eng>
- xxv. GC InfoBase, <https://www.tbs-sct.gc.ca/ems-sgd/edb-bdd/index-eng.html#start>
- xxvi. Departmental Sustainable Development strategy, <https://fintrac-canafe.canada.ca/publications/drr-rrm-eng>
- xxvii. Gender-Based Analysis Plus, <https://fintrac-canafe.canada.ca/publications/drr-rrm-eng>
- xxviii. Report on Federal Tax Expenditures, <https://www.canada.ca/en/department-finance/services/publications/federal-tax-expenditures.html>