

Ministry of Finance**BRIEFING DOCUMENT**

To: Honourable Carole James
Minister of Finance
and Deputy Premier

Date Requested: January 30, 2020
Date Required: February 14, 2020

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Date Prepared: January 31, 2020

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Cliff #: 388578

TITLE: Authorize sharing Corporate Registry data with the Ministry of Finance

PURPOSE:

(X) DECISION REQUIRED

COMMENTS: Ministry of Finance staff in the Finance, Real Estate and Data Analytics (FREDA) unit require data from the Corporate Registry in order to perform analysis that will assist in fiscal, social and statistical and shape government policy making.

Executive Director approval: _____

ADM approval: _____

DM approval: _____

DATE PREPARED: January 31, 2020

TITLE: Authorize sharing Corporate Registry data with the Ministry of Finance.

ISSUE: Corporate Registry does not have legislative authority to share bulk data with the Ministry of Finance.

BACKGROUND:

The Finance, Real Estate and Data Analytics (FREDA) unit was created in 2019 to both take steps to remove regulatory gaps in British Columbia's Anti-Money Laundering Framework and provide analytical analysis for the Ministry. The analytics unit will provide fiscal, social and statistical information to help shape government policy. This includes, but is not limited to, GBA+, tax policy, socioeconomic policies and anti-money laundering initiatives.

The *Business Corporations Act* (BCA) provides the legal framework on the incorporation of a corporation in British Columbia, as well as the requirements for filing various documents with the Corporate Registry. The Ministry of Finance (FIN) is responsible for all matters relating to the policy of the BCA, except for the administration of the corporate registry, which falls under the umbrella of the Ministry of Citizens' Services (CITZ). FREDA staff would like access to an extract of corporate registry data to perform the above-mentioned statistical analysis.

There is restrictive authority within the BCA to allow for the exchange of information between FIN and CITZ. However, there is the ability to provide a regulatory power to facilitate the exchange of information.

Solicitor/Client Privilege

Solicitor/Client Privilege

DISCUSSION:

Solicitor/Client Privilege

There may be a minor privacy concern regarding the exchange of this information; however, this concern should be alleviated in that the information being requested from

FIN staff is publicly available by searching the corporate registry for a fee. To ensure the Corporate Registry's revenue stream is protected, this data will not be shared with other government agents who pay the Corporate Registry for such information. Any required privacy impact assessment and consultations with the Office of the Information and Privacy Commissioner will occur as a part of the drafting process.

Data obtained from the registry will be used for statistical analysis and the compilation of statistical information, which will in turn be used to support policy analysis at the Ministry in a variety of ways.

From an anti-money laundering policy analysis lens, data from the registry will be an essential component of a statistical "red flag analysis" that will identify patterns of activity that are indicative of money laundering or tax evasion. This analysis will generate more detailed estimates on the extent of money laundering activity in BC and inform policy recommendations to support government's anti-money laundering efforts.

In tax policy analysis, data from the registry will inform the analysis of Corporate Income Tax. Tracking changes to the registry over time will improve our understanding of corporate formation, relocation and allow for more in-depth analysis of corporate tax revenues and business competitiveness in BC. Data from the registry will also support GBA+ analysis by providing more information on the composition of corporate boards in BC.

Corporate data from the registry will also support policy analysis relating to the *Business Corporations Act* itself. Statistical analysis of registry data will identify trends in the formation and registration of corporations in BC, answer important questions about the structure of corporations and the composition of their boards. For example, analysis of the data will reveal how often individuals serve on multiple boards at once while also giving a gendered breakdown of BC directors.

OPTION 1: Amend *Business Corporations Regulation* to allow data bulk data extracts to be shared with Ministry of Finance:

- Ministry of Finance staff will have the ability to conduct statistical analysis to inform and develop anti-money laundering solutions, tax, socioeconomic including through a GBA+ lens.
- The information is already publicly searchable through the Corporate Registry.

OPTION 2: Do not amend *Business Corporations Regulation* to allow data bulk data extracts to be shared with Ministry of Finance:

- Ministry of Finance staff will not be able to incorporate the corporate data into its statistical analysis.

RECOMMENDATION: Option 1.

APPROVED / NOT APPROVED



Carole James
Minister and Deputy Premier

Feb. 20 2020

Date